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Annual Service Plan Report

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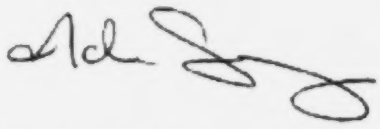
Accountability Statement

The 2002/03 Ministry of Forests Annual Service Plan Report was prepared under my direction and in accordance with the *Budget Transparency and Accountability Act*. This report compares the actual results to the expected results identified in the ministry's 2002/03 Service Plan. I am accountable for the ministry's results and the basis on which they have been reported.



Honourable Michael de Jong
Minister of Forests

June 10, 2003

BRITISH COLUMBIA

Ministry of Forests

I am pleased to present this annual report, which captures the progress made by the Ministry of Forests in the second year of its five-year service plan — progress towards creating a climate in which B.C.'s forest sector can revitalize itself.

Naturally, creating a climate that fosters innovation and reinvestment is a long-term endeavour but a start has been made. In November 2002, I introduced the new *Forest and Range Practices Act*, which places its focus on results, not paperwork. The new Act will embrace the world-leading sustainable forestry practices that the province has become renowned for.

In March 2003, I introduced the Forestry Revitalization Plan. Through re-allocating tenure, government is opening up new opportunities for communities, First Nations, value-added and other innovative operators to enter the forest sector. Connected closely is the work done to update a regulatory regime that helped build B.C.'s forest sector, but which no longer works in a world that has changed, where being globally competitive is the only way to create certainty and opportunities for heartlands communities. We are sure of our ability to succeed in this changing world market, and have invested in a comprehensive plan to secure traditional and new markets.

As stewards of the public forests we will continue to work together with the people of British Columbia to ensure not only that we have forests for future generations, but, also, that the benefits of this resource accrue to all citizens.

Honourable Michael de Jong
Minister

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Year-at-a-Glance Highlights

This section summarizes the significant events and performance achievements in the ministry during 2002/03. The events and achievements categorized below by ministry goal indicate how well the ministry has achieved the key aspects of its mandate.

Ministry Operating Context

Implementation of new government forest policy direction resulting from the core service review objectives was a major focus for the Ministry in 2002/03. This included the new *Forest and Range Practices Act* and the creation of the BC Timber Sales organization.

The softwood lumber dispute and U.S. market access continued to be a major issue during 2002/03. In May, 2002, the U.S. Department of Commerce put into effect a 27.22 per cent US tariff and Canadian lumber exporters had to pay cash deposits on their U.S. softwood exports. Discussions between the two countries continued throughout 2002/03 on resolving the dispute.

In 2002, B.C. forest product exports totalled $14.4 billion and accounted for 49.8 per cent of total provincial exports.

B.C. harvest levels, as measured by timber scale billed, increased by a modest 2% in 2002, to 73.4 million cubic metres. Overall forest sector employment declined in 2002 by 4.0 per cent or slightly more than 3,000 positions.

The unprecedented epidemic of mountain pine beetle is causing significant damage to the Interior forest resource.

During 2002/03, ministry staffing levels declined by 14.5 per cent and the Ministry's budget was reduced by 15.5 per cent.

Goal 1: Sustainable Forest Resources

The ministry substantially achieved, achieved or over-achieved most of its performance targets under its first goal during 2002/03. Performance highlights include:

- containing 93 per cent of all unwanted fires at less than 4 hectares (ha), and keeping the area burned by unwanted wildfires to 20,471 ha, below the published target of <45,000 hectares,
- aerial-surveying of 100 per cent of Crown forest for insect infestations, and treating 89% per cent of high-priority bark beetle infestation sites,
- 93 per cent compliance of forest operators with statutory forest practices obligations,
- 80 per cent of allowable annual cuts (AACs) for all timber supply areas (TSAs) and tree farm licences (TFLs) determined within their five-year deadline, and
- completing legislation for the new *Forest and Range Practices Act*.

Goal 2: Sustainable Forest Benefits

The ministry substantially achieved, achieved or over-achieved most of its performance targets under its second goal during 2002/03. Performance highlights include:

- 17.6 per cent share of softwood lumber consumption in the U.S. by B.C. exporters — a slight increase, despite the softwood lumber negotiations — and 43 per cent of softwood lumber imports into Japan,
- Crown forest revenue of $1.296 billion for the year,
- 97 per cent of TSA allowable annual cut volume under a form of tenure (excluding Small Business Forest Enterprise Program tenures), and 90 per cent of animal unit months of forage allocated,
- $143 million net revenue generated from the Timber Sales Program (formerly the Small Business Forest Enterprise Program),
- volume gain of 286,000 cubic metres (m^3) of timber per year expected to be available for harvest in approximately 65 years from all ministry reforestation activities, and
- volume gain of greater than 1,671,000 cubic metres (m^3) of timber per year expected to be available for harvest in approximately 65 years from all ministry tree improvement activities.

Goal 3: Effective Sustainable Forest Manager

The ministry substantially achieved or achieved all of its performance targets under its third goal during 2002/03. Performance highlights include:

- a public survey indicates 60% of British Columbians trust the Forest Service to manage and protect the public forests and 73% think the Forest Service is an effective organization,
- achievement of all key legislation milestones to implement forest policy change and refocused ministry mandate,
- continued integration of a performance management framework, with 86 per cent of corporate performance measure targets in the ministry substantially achieved or achieved, and
- increased number of major client services provided electronically.

Ministry Role and Services

Introduction

The Forest Service is the main agency responsible for the stewardship of 47 million hectares of provincial forestland. In addition, the ministry provides fire protection services for 84 million hectares. Managing these provincial forests presents a unique and complex set of challenges. More than 90% of British Columbia's forestlands are publicly owned, which means that the provincial government, on behalf of the public, plays a much more prominent role in the forest sector than its counterparts in other forestry jurisdictions.

The ministry pursues its goals for sustainable forest resources and benefits in a consultative manner with the public, industry, and other Crown agencies, while recognizing the unique interests of aboriginal people. In this way, the ministry works to earn the public's trust as our staff make the day-to-day decisions which ensure that all British Columbians can look forward to healthy forests and a strong forest economy now and in the future.

The key legislation, for which the Ministry of Forests is responsible, is summarized in Appendix 1.

Ministry Structure

As a result of the Core Services Review and government direction on reductions to ministry resources, in 2002/03 the ministry reduced from 6 regional offices and 40 district offices to 3 regional offices, 29 forest district offices and 4 satellite offices. It created 12 new BC Timber Sales offices at district locations and continued the existing 6 fire centres. This reorganization will maintain the field presence required for the ministry to carry out its stewardship mandate. A current Organization Chart is provided in Appendix 2.

Ministry Vision, Mission and Values

Vision

Healthy Productive Forests

Since its establishment in 1912 as the Forests Branch, the BC Ministry of Forests (also known as the Forest Service) has continued to protect the public's interest and provide leadership in the protection, management and use of the province's forest and rangelands. Its 2002/03 vision of "Healthy Productive Forests" reflects the ministry's mandate to ensure that the health and productivity of the province's forest and range resources are maintained now and in the future.

Mission

Protect and manage our public forests for the sustained benefit of all British Columbians

As stewards of British Columbia's forest and range lands, the Forest Service undertakes the key responsibilities of: protecting and managing the province's forest and range resources; providing the basis for a globally competitive forest industry with high environmental standards; and, maximizing net revenues to the Crown. These responsibilities were reflected in the 2002/03 mission statement to *"Protect and manage our public forests for the sustained benefit of all British Columbians"*.

Values

The Forest Service protects the public's interest in its forest and range lands through a commitment to the values of respect, service excellence, accountability, openness and adaptiveness, and a can-do attitude. We are guided by the ethics of sustainable use, stewardship and public service.

Strategic Shifts and Alignment with the Government Strategic Plan

The Core Services Review of the ministry, completed in the fall of 2001, directed the ministry to move to results-based regulation, establish defined forest area management, and pursue alternative arrangements for direct delivery with the forest industry and other stakeholders. This direction resulted in significant changes to the ministry's vision, mission and goals as reflected in its *Service Plan 2002/03 – 2004/05*. The ministry also implemented key strategies during 2002/03 to meet this direction.

These strategic shifts within the ministry align directly with the long-term goal of a sustainable environment and associated key strategies and actions as outlined in the *Government Strategic Plan 2002/03 – 2004/05* and the government's *New Era* commitments for sustainable forestry.

The ministry operates under a legislative framework comprised of the *Ministry of Forests Act*, the *Forest Act*, the *Range Act* and the *Forest Practices Code of British Columbia Act*. To implement the major forest policy changes associated with the ministry's strategic shifts, significant amendments to the ministry's legislative framework were implemented in 2002/03.

Update on *New Era* Commitments

In 2001, the provincial government established 11 commitments for their *New Era of Sustainable Forestry*, which fall within the ministry's mandate. The table below summarizes the ministry actions to date in achieving these commitments. Further information on the ministry actions during 2002/03 is found in the "Performance Reports" section.

New Era Commitment	Ministry Action	See Report
1. Establish a working forest land base, to provide greater stability for working families and to enhance long-term forestry management and planning.	The land-use planning responsibilities and resources of the ministry were transferred to the Ministry of Sustainable Resource Management in 2001/02.	—
2. Streamline the *Forest Practices Code* to establish a workable, results-based code, with tough penalties for non-compliance.	The new *Forest and Range Practices Act* was passed in 2002/03. This Act puts greater reliance on professional and company accountability.	Core Business 2
3. Apply 1 per cent of all direct forest revenues, not including "super stumpage," to global marketing of B.C.'s forest practices and products.	In 2002/03, the Forest Investment Account provided $12 million in funding for forest product development and international marketing initiatives.	Appendix 3
4. Create a market-based stumpage system that reflects global market realities and local harvesting costs.	A market-based timber pricing system was under development. Consultation with industry and refinements continue.	Core Business 4
5. Either fix or scrap Forest Renewal BC, starting by removing the political appointees on the board.	The Forest Renewal BC corporation was scrapped on March 31, 2002. The new Forest Investment Account was established on April 1, 2002.	—
6. Invest in research to promote forest stewardship.	The ministry and the Forest Investment Account provided significant funding in 2002/03 for focused research in forest stewardship.	Core Business 2 and Appendix 3
7. Cut the forestry regulatory burden by one-third within three years, without compromising environmental standards.	In 2002/03 the ministry achieved an overall 3.2% reduction in forestry regulation. High environmental standards are being maintained.	Core Business 2
8. Work to expedite interim measures agreements with First Nations, to provide greater certainty during treaty talks.	The Forest Service continues to provide support for the Treaty Negotiations Office on priority treaty tables, other First Nations negotiations, and related policy issues.	Core Business 4

New Era Commitment	Ministry Action	See Report
9. Increase the allowable annual cut over time through scientific forest management, proper planning, and incentives to promote enhanced silviculture.	The ministry and the Forest Investment Account provided significant funding in 2002/03 for tree improvement, planning, research and silviculture activities.	Core Business 2 and Appendix 3
10. Eliminate "waterbedding."	Implementation of the announced market-based timber pricing system will eliminate waterbedding.	Core Business 4
11. Scrap the "HCL" silviculture hiring-hall policy that discriminates against silviculture workers.	The Forest Renewal BC corporation was wrapped up on March 31, 2002. The hiring policies in place under Forest Renewal BC were terminated.	—

Updated Environmental Scan

Introduction

For both the Ministry of Forests and the forest sector generally, 2002/03 proved to be a challenging year with revitalization, policy change and forest health dominant themes.

Internal Challenges

Forest health was a major concern during 2002/03. The unprecedented epidemic of mountain pine beetle is causing significant damage to the Interior forest resource. In 2002, the beetle infestation expanded to include an area of about 9 million hectares, stretching from Smithers to Cranbrook. The beetle epidemic is essentially impossible to control by man-made means.

Implementation of new government forest policy direction to meet the core service review objectives was a major focus for the Ministry in 2002/03.

In December 2002, streamlining amendments to the *Forest Practices Code of British Columbia Act* and regulations came into effect. These amendments will reduce the number of transactions between government and licensees over a two-year transition period until the new *Forest and Range Practices Act* is fully implemented in December 2005. By streamlining the existing code now, resource management practitioners will work toward a results-based forest and range practices regime.

Government's commitment to the introduction of a new market-based pricing system, putting the Small Business Forest Enterprise Program on a more commercial footing, and deregulation, resulted in the announcement of the Forest Revitalization Plan in March 2003. The plan consists of a comprehensive set of legislative and policy reforms that will create opportunities and build a more diverse forest sector, remove barriers to regional job creation and open up new partnerships with First Nations.

Implementation of the Forest Revitalization Plan requires some reallocation of existing harvesting rights. To that end, on March 31, 2003, government initiated reallocation of 20 per cent, or 8.3 million m^3, of harvesting rights from major licensees. One-time funding of $200 million has been set aside by government for compensation purposes. Transition assistance, in the form of a $75-million trust fund, will also be available.

About half of the reallocation volume will be used to open up opportunities for First Nations, woodlots, and community forests. The other half will be used to increase the amount of timber sold through competitive auction. The auction results will form the foundation of the new market based pricing system. Implementation of both the reallocation and market based pricing will be a focus for the forthcoming fiscal year.

Another feature of the forest revitalization plan is the creation of the BC Timber Sales organization. This organization has replaced the former Small Business Forest Enterprise Program. The new organization is commercially focused. Its core purpose is to market Crown timber to establish market prices and capture the value of the asset for the public.

Other policy changes aimed at revitalizing the forest sector include changes to cut control regulations, the elimination of timber processing and appurtenancy requirements, and the elimination of mill closure penalties. In addition, the regulatory burden associated with tenure transfers and subdivisions has been reduced. The changes remove requirements that have caused forest companies to maintain uneconomic operations and harvest public timber at a loss. Once the changes are in place, wood will be better able to flow to its highest and best use.

Despite forest health problems and despite the broad array of policy changes and the significant workload they imply, the Ministry of Forests proceeded with Core Service Review restructuring during 2002/03. Ministry funding will shrink 35 per cent from 2001/02 to 2004/05. During 2002/03, as a first step towards the Core Service Review results, Ministry staffing levels declined by 14.8 per cent and the Ministry's operating expenses were reduced by 15.5 per cent.

External Challenges

As expected, the softwood lumber dispute and U.S. market access continued to be a major issue over the course of the 2002/03 year. Some highlights included the following:

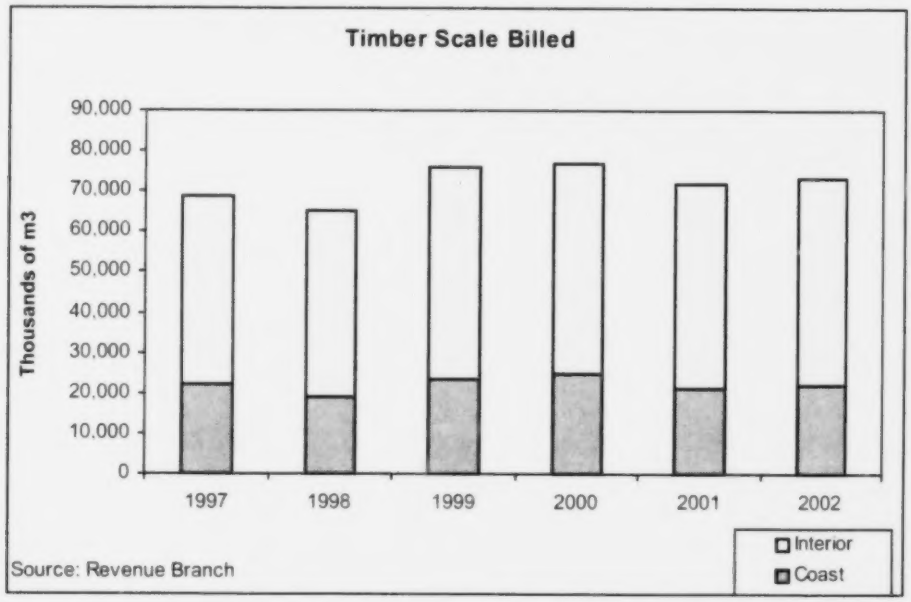
- The Canadian government launched two NAFTA challenges of the U.S. softwood countervail/anti-dumping duty determination in April of 2002. An additional challenge followed in May. Through NAFTA Canada is challenging the final countervailing duty, the final dumping duty and the final threat of injury determination.
- On May 22, 2002 the U.S. Department of Commerce published the final orders in the countervailing duty and antidumping cases. This meant that the final 27.22 per cent U.S. tariff (combined rate) was in effect as of that date and Canadian lumber exporters had to pay cash deposits on their U.S. softwood exports.
- On July 26, 2002 the World Trade Organization provided a preliminary ruling on one of Canada's softwood challenges. The WTO found that the U.S. made errors in its preliminary determination of subsidy.
- During 2002, Canada also initiated WTO challenges with respect to the final countervailing duty, the final dumping duty and the final threat of injury determination. These panels are expected to report in 2003/04 however, appeals of panel findings could well extend into 2004/05.
- On January 6, 2003, the U.S. Department of Commerce released its "Proposed Analytical Framework, Softwood Lumber from Canada". The framework outlines policies intended to serve as the basis for a long-term, durable solution to the ongoing dispute between the United States and Canada over trade in softwood lumber. Discussions pertaining to proposal continue.

The world economic situation also continued to be a challenge in 2002/03. The International Monetary Fund estimates the global economy grew at a rate of 3% during 2002.[1] However, Japanese economic growth remains slow and competition from the European and Russian forest sectors is increasing. The strengthening Canadian dollar will also be a challenge for forest product exports in the forthcoming year.

Prices, Costs and Performance

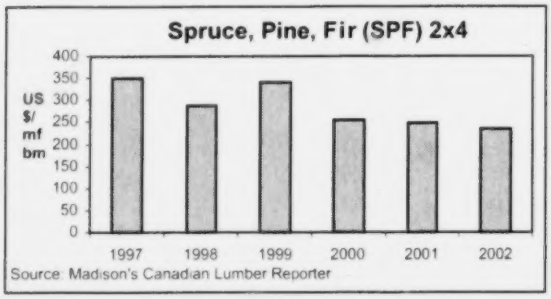
BC's forest industry is dominated by the production of lumber, pulp and paper. These commodities are then sold into the global market place.

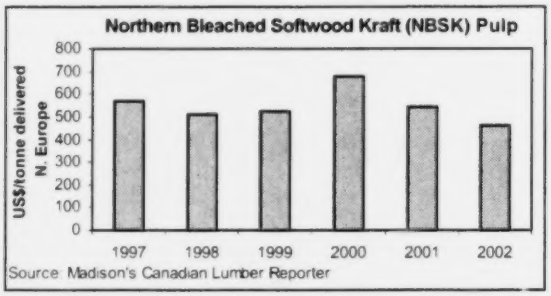
Despite the softwood lumber tariff, BC harvest levels, as measured by timber scale billed, increased by a modest 2% in 2002, rising from a provincial total of 72.0 million cubic metres (m^3) in 2001 to 73.4 million m^3 in 2002. Increased harvest levels were likely due to higher Canadian and US housing starts.

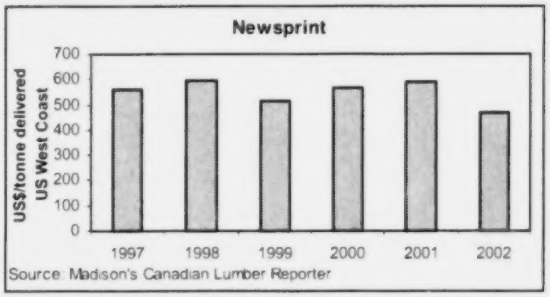


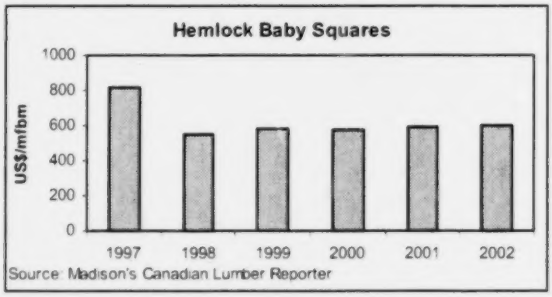
Reliance on exports of forest products means that global prices are strong indicators of market demand and important determinants of the health of the sector. In 2002/03 prices for forest products were generally weak with lumber, pulp and paper all posting declines.

[1] International Monetary Fund, World Economic Outlook, May 2003.

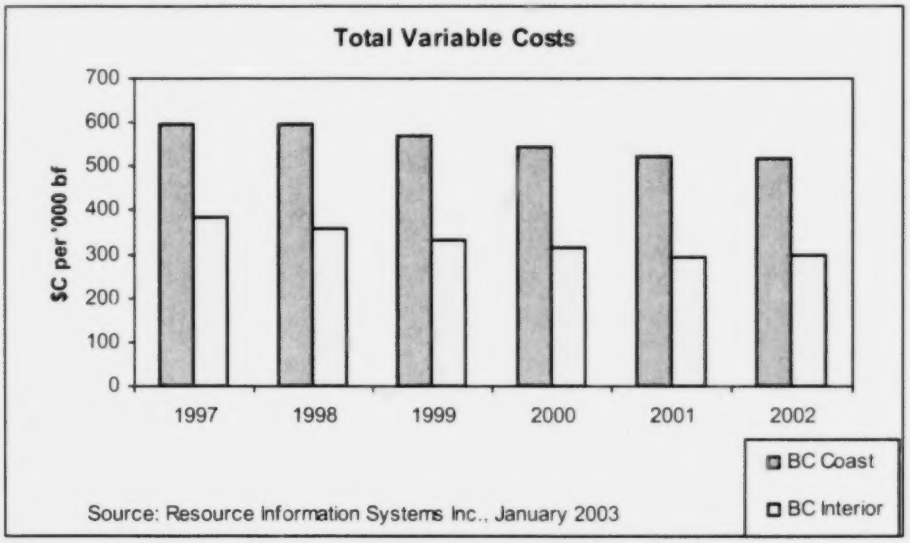




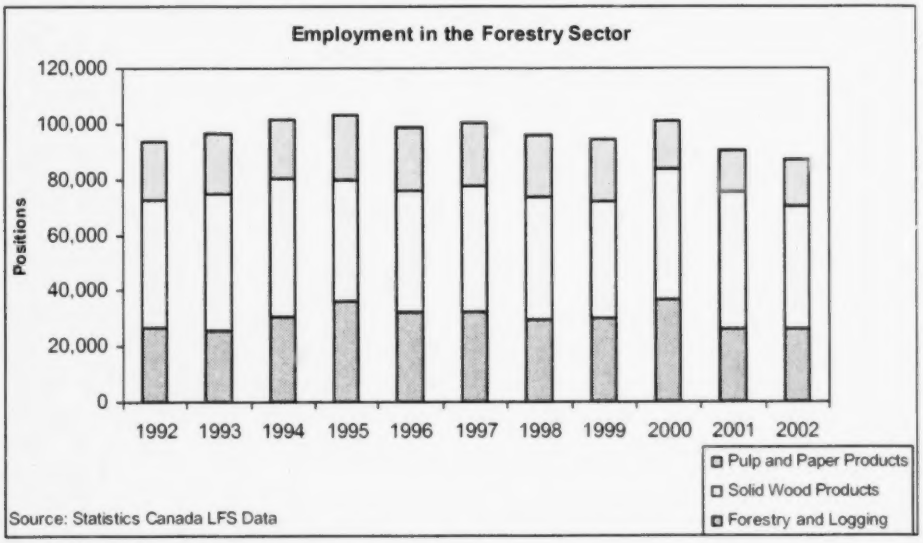




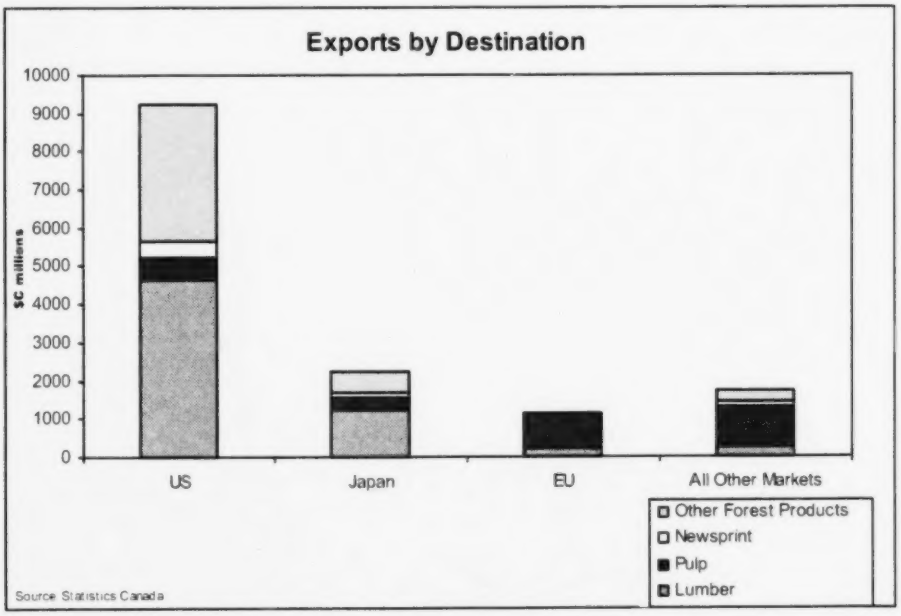
In 2002, total variable costs, or costs that vary directly with output, remained relatively steady compared with 2001. Costs rose slightly on the Coast and declined slightly in the Interior. For the Coast, increasingly difficult terrain, environmental pressures and changing markets will likely continue to create cost challenges.



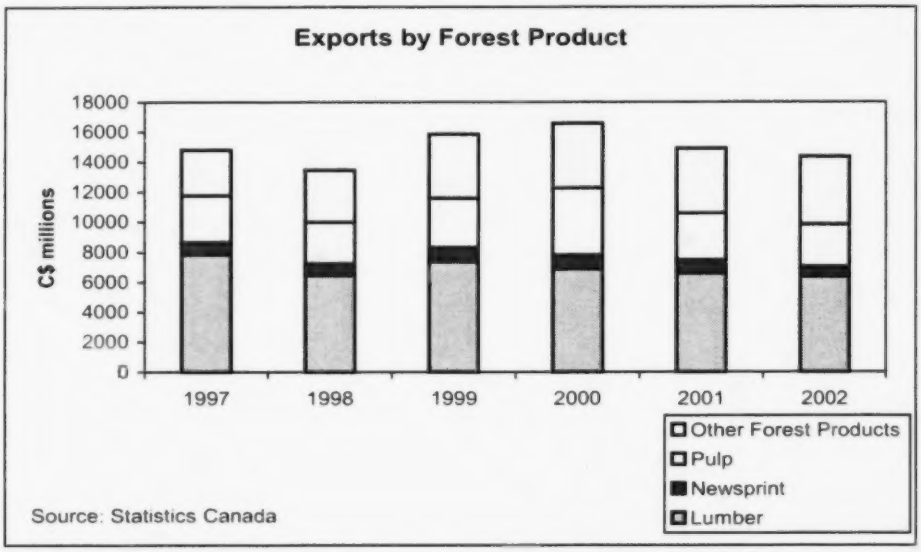
Overall, total sector employment declined by 4.0 per cent or more than 3,000 positions, primarily in solid wood products employment.



In 2002, forest product exports accounted for 48.0 per cent of total provincial exports and had an estimated value of $14.4 billion. The primary market for BC forest products is the United States. The U.S. accounted for over $9 billion of forest sector exports while Japan, the second largest market, imported products worth more than $2 billion. Exports to European countries totalled slightly more than $1 billion.



Overall, provincial forest product exports were down in 2002 falling from $14.5 billion in 2001 to $14.4 billion in 2002. The decline in lumber exports was tempered to some extent by an increase in other forest product exports.



Supply and Sustainability

Four supply-related issues will continue to affect the long-term prospects for the provincial forest sector. These issues are:

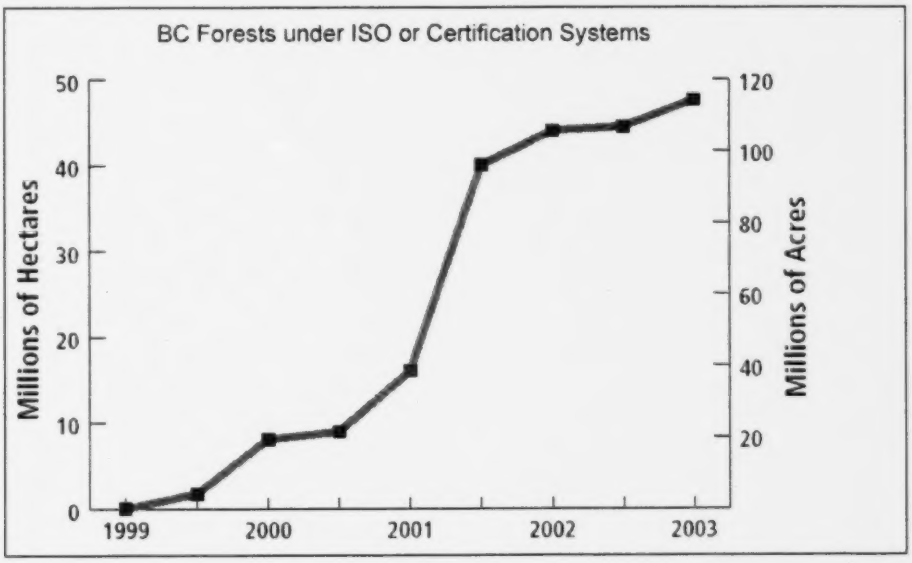
- world supply of timber;
- certification;
- First Nations land claims; and
- forest stewardship and forest health.

World Timber Supply

The Food and Agriculture Organization's "State of the World's Forests 2003" report predicts that land conversion and silviculture practices will, in the long run, be key determinants of the level of timber supply. However, the report also notes that enhanced tree growth, mainly as a consequence of increased global temperatures and longer growing seasons have been observed in many regions of the world. For example, the annual increment of Norway spruce in Austria increased by about 17 per cent, during the period 1961 to 1995.

Certification

An increasing number of provincial forest companies are becoming certified. In 2002/03 ten additional B.C. companies were certified increasing by more than 8 million hectares the total area of certified forests.



Source: BC Ministry of Forests, Jan. 2003

First Nations Land Claims

Clarity around First Nations land claims will improve both the long-term stability of the provincial timber supply and the investment attractiveness of provincial forest enterprises. In the meantime, the Ministry is taking action to increase First Nation participation in the forest sector and accommodate First Nation interests.

In May 2002, the government introduced legislation enabling the Minister of Forests to directly award forest tenures to First Nations in order to create participation opportunities. Since then seven agreements have been signed, providing First Nations with rights to 1.1 million m^3 of timber over a number of years. As part of the forestry revitalization plan, more volume will be made available to First Nations. Over time, the allowable annual cut available to First Nations is targeted to rise to 8 per cent of the core allowable annual cut.

Forest Stewardship and Forest Health

The introduction and implementation of the results-based code of the *Forest and Range Practices Act* is aimed at improving provincial forest stewardship. Through its results-based approach the new code focuses on the end result of responsible forest management rather than the means by which it is achieved. By being more adaptable, the new code rewards innovation and will be backed by tougher enforcement, including higher fines and regular monitoring.

The ongoing improvement of forest stewardship is also the objective of the legislation introduced in 2002/03 to establish the College of Applied Biology, the first of its kind in Canada. The act is designed to improve forest management by registering biologists and holding them accountable for their work. Under the *Forest and Range Practices Act* and the redefined *Forester's Act*, resource management professionals will have increased responsibility for protecting the environment.

The work of the Forest Investment Account (FIA) began in 2002/03. FIA was created to promote sustainable forest management in British Columbia. It is founded upon a Vote of the Legislature, authorizing the Minister of Forests to provide funding for certain forest management activities. FIA expenditures totalled $144 million in 2002/03 including $38.5 million of Forestry Innovation Investment expenditures.

In the area of forest health, the Mountain Pine Beetle infestation will continue to be a pressing problem for the province for the foreseeable future. In 2002/03 the Chief Forester increased the allowable annual cut by 2.9 million cubic metres to address the mountain pine beetle problem. Estimates of the beetle's rate of spread indicate that every infested tree removed at the front of the infestation will save up to 16 trees from being attacked the following year.

Conclusion

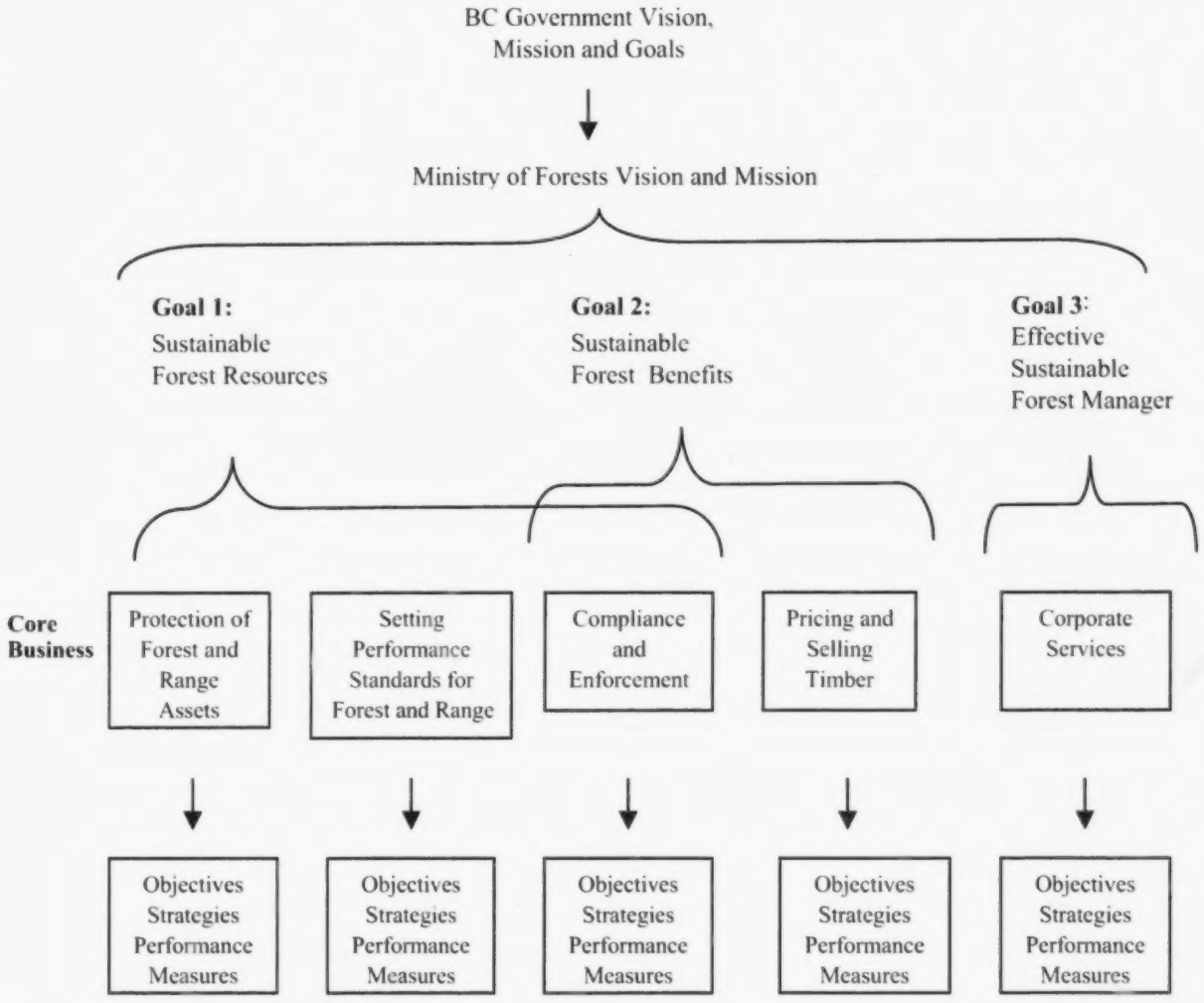
As ever, the B.C. forest sector and the Ministry of Forests will continue to face challenges in 2003/04. Implementation of the broad array of legislative changes introduced in 2002/03, resolution of the softwood lumber dispute, and dealing with the mountain pine beetle epidemic are only a few of the issues that will have to be dealt with. Ultimately, to be successful in the ever-changing global economy, the forest sector will have to be outwardly focused, competitive and environmentally responsible while the Ministry will have to ensure that appropriate legislation, policy and business processes are in place to support these outcomes.

Linkage of Ministry Goals to Performance Reporting

The Forest Service established three long-term goals in 2002/03 to provide overall strategic direction to the ministry in achievement of its mission and vision:

1. **Sustainable Forest Resources** — the use of the forests to generate economic benefits is balanced with the long-term health of the forest and range resources.
2. **Sustainable Forest Benefits** — the citizens of British Columbia benefit from commercial use of their forests.
3. **Effective Sustainable Forest Manager** — the Forest Service is comprised of highly trained and knowledgeable staff focused on ensuring that sustainable forest resources deliver sustainable forest benefits for the people of British Columbia.

The framework below has been developed to assist the ministry in achieving these three goals. Five core businesses were established (called core functions in the 2002/03 - 2004/05 Service Plan) which incorporate all the activities carried out by the Forest Service. Each of the core businesses is linked to at least one of the three goals; the Compliance and Enforcement core business supports two of the three goals. Under each core business are structured the associated objectives and strategies of the ministry. To indicate how successful the ministry is in achieving these objectives and strategies during 2002/03, key outcome indicators and corporate performance measures were assigned. Summaries of the objectives and strategies, and ministry performance by core business are provided in this report.



As part of the government's restructuring of ministries and the Core Services Review, the 2002/03 - 04/05 Service Plan indicated that the ministry would no longer be undertaking several functions that were contained in its 2001/02 – 2003/04 Performance Plan. During 2003/04, the ministry pursued the transfer of these functions to other government agencies, forest sector companies and other organizations. Summaries of strategies and performance measures and targets associated with these transition functions are provided in this report.

Performance Reporting

Introduction

This section reports on the ministry's accomplishments, by core business, in the context of its goals, objectives and strategies. It provides an overview of the three ministry goals and the core businesses associated with each goal. The information on the ministry's objectives, strategies and performance measures are structured around the five core businesses.

Objectives are concise results-oriented statements of what service results the ministry intends to achieve in the short term. The strategies outline the actions taken to achieve the objectives. The performance measures are used to indicate the degree of success the ministry has in achieving its objectives and strategies. The accountability for the performance measures and targets resides fully with the Ministry of Forests.

Additionally, key outcome indicators are provided for each goal to monitor high-level progress in achieving the ministry's mandate. Because they measure societal, land base or stakeholder results, or changes in results or behaviour, the accountability for the key outcome indicators cannot be solely attributed to the Ministry of Forests.

Performance at a Glance

The ministry established 29 performance measures and targets for 2002/03 to evaluate ministry performance in its core businesses. Eighty-six per cent of these targets (25) were substantially achieved, achieved or over-achieved in 2002/03. Fourteen per cent (4) were partially achieved or not achieved in 2002/03. Explanations of performance target achievements are provided in the following section.

✔ ✔	✔	▲	✘
4 performance measures over-achieved (14%)	21 performance measures achieved or substantially achieved (72%)	1 performance measure partially achieved (4%)	3 performance measures not achieved (10%)

Core Businesses, Objectives, Strategies, and Results

Goal 1: Sustainable Forest Resources

As stewards of British Columbia's forest and range resources, the Forest Service has the responsibility to ensure that the use of the forests to generate economic benefits is balanced with the long-term health of the forest and range resources. We will ensure that the use of appropriate forest and range management practices maintain and improve the long-term sustainability and health of the province's forest and range resources.

The following key outcome indicators provide high level measures for our goal of sustainable forest resources.

Key Outcome Indicator	2001/02 Benchmark	Published 2002/03 Projection	2002/03 Actual
Total area (hectares) of the timber asset in the provincial forest land base	47 million	47 million	47.8 million
Ratio of area of provincial forest land reforested (planting and natural regeneration) to area of provincial forest land harvested (on a 5-year rolling average)	1.2	> 1.0	0.93
Indicators of soil, water and bio-diversity in Crown forests	N/A	Benchmark established	Indicators selected and benchmarks included in 2003/04 Service Plan.

A key aspect of forest practices legislation, which contributes to sustainable forest resources, requires that areas harvested after October 1, 1987 must be reforested promptly. The current status of not satisfactorily restocked Crown land is presented in Table 1. Table 1 represents a balance sheet of all areas harvested in the province and their reforestation status. This table includes areas harvested prior to 1987 (termed backlog, equivalent to 173,000 ha at the end of 2002/03), and those currently between harvest and reforestation (a total of 393,000 ha at the end of 2002/03). Backlog areas may eventually be reforested and returned to productivity or reclassified to non-productive areas. Areas currently between harvest and reforestation were within their legislated allowable limits for regeneration delay (as indicated by the per cent compliance with legislation reported by the Compliance and Enforcement performance measures). The ratio of forestland reforested to area of forestland harvested is expected to remain relatively steady around 1.0.

Macro-level indicators of soil, water and bio-diversity were developed during 2002/03 to represent key elements of healthy ecosystems. They are:

- Percentage of annual harvest area with soil loss due to establishment of permanent access roads. The benchmark is < or = 5%.
- Percentage of community watersheds with active logging for which watershed assessments have been completed. The benchmark is 100%.

- Ecosystem diversity is represented by the area of forests > 140 years of age within the province in millions of hectares. The benchmark is 26 million hectares.

These indicators, along with other indicators to be developed, (to be published in a State of the Forest Report beginning in 2004/05), will be used to show the state and health of BC's forestland base.

Table 1: Changes in the Not Satisfactorily Restocked (NSR)[1] Crown Land in 2002/2003

Responsibility	Backlog[2]		Current Reforestation[3]			
	Ministry	Ministry	Ministry	BCTS/SBFEP	Major Licensees	Totals
Year of Denudation	Pre-82	1982-87	Post-87 (Oct. 1/87)	Post-88 (Jan. 1/88)	Post-87 (Oct. 1/87)	
Changes	hectares					
Total NSR (End of 2001/2002)[4]	**114,833**	**62,452**	**34,023**	**31,118**	**379,875**	**622,301**
Additions in NSR in 2002/2003 due to:						
Harvesting[5], fire and pests[6]	102	124	1,118	10,995	106,039	118,377
Plantation Failure	601	921	87	589	746	2,944
Natural regeneration failure	162	180	7	132	291	773
Total Additions to NSR	**865**	**1,224**	**1,212**	**11,716**	**107,076**	**122,094**
Reductions in NSR in 2002/2003 due to:						
Planting	1,581	1,314	1,317	9,036	99,047	112,294
Natural regeneration	1,589	943	1,505	3,056	20,486	27,578
Reclassification of NSR to NP[7]	453	808	909	724	4,717	7,612
Total Reductions to NSR	**3,623**	**3,066**	**3,731**	**12,816**	**124,250**	**147,484**
Total NSR	**112,076**	**60,611**	**31,504**	**30,018**	**362,701**	**596,910**
Net Change in NSR in 2002/2003	**-2,758**	**-1,841**	**-2,519**	**-1,100**	**-17,174**	**-25,391**

Notes:

[1] Includes accomplishments under all funding sources.
This table is based on DRAFT data in ministry information systems as of March 14, 2003. Where data entry is incomplete or delayed, numbers reported may underestimate actual accomplishments. Final figures will be posted on the ministry public web site in the Fall of 2003.

[2] Backlog obligation categories are based on the responsibility for reforestation to a free growing stage.
Ministry, Pre-82: A large portion of good and medium sites in this obligation category was treated under FRDA I (1985-90).
Ministry, 1982-87, All Sites: Includes areas under the Small Business Enterprise Program (cut prior to January 1, 1988), and areas of Major Licensees (cut prior to October 1, 1987).
Together with the Ministry Pre-82 areas, these areas are considered "outstanding obligations", and are currently eligible for funding under the Forest Investment Vote.

Core Businesses, Objectives, Strategies, and Results

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Notes: *(continued from Previous Page)*

[3] Current obligation categories are based on the responsibility for reforestation to a free growing stage, by law, within an acceptable period of time.

Ministry, Post-87, All Sites:	The Ministry remains responsible for basic silviculture on all areas denuded by fire or pests.
BCTS/SBFEP, Post-88, All Sites:	Basic silviculture on all areas denuded by BCTS/SBFEP after January 1, 1988 is funded by the BCTS/SBFEP account, and implemented by the Ministry of Forests.
Major Licensees, Post-87, All Sites:	Basic silviculture on areas denuded by major licensees after October 1, 1987 is funded by major licensees. Licensees have approximately six to seven years to reach the basic silviculture requirement through natural regeneration, or about three to four years through planting, as specified in the silviculture prescription.

[4] Adjustments to NSR figures reported in the 2001/2002 Annual Report can be summarized as follows:

Total NSR at the end of 2001/2002:		633,903 ha
Late updates to the database:	Further change in NSR (Pre-87)	-11,028 ha
	Further change in NSR (Post-87)	-575 ha
	Total NSR at the beginning of 2002/2003:	622,301 ha

[5] NSR resulting from logging is the net area to be reforested after harvest (excluding roads, landing and other non-productive areas).

[6] Openings caused by fire or pests refer to incidence in mature timber or in areas already classified as free growing. Fire and pest incidence prior to free growing is considered plantation or natural regeneration failure.

[7] NP is non-productive land. Reclassification to NP is due to roads, landing, swamps, rock outcrops, etc.

Core Business 1 — Protection of Forest and Range Assets

To help ensure the forest will continue to contribute to a strong forest economy, the ministry prevents and suppresses wildfire to protect natural resource inventories and investments in the forestland base. Our forest fire response is primarily focused on protecting lives and government forest assets, particularly timber. Without fire protection, some 500,000 hectares of productive forest would be lost annually costing the province billions of dollars in potential direct revenue.

This core business also includes the detection and management of insect pest outbreaks on areas under the responsibility of the province. Of key significance in 2002/03 were bark beetle infestations. Other defoliators, endemic pests and outbreaks of local significance are also managed.

The key objective and associated strategy for this core business are:

1.1 Ensure that forest and range resources are protected, managed and improved on a sustainable basis.

- Implement a cost-shared fire protection model in co-operation with forest companies, other industrial users, private land-owners and others.

Performance Measure	2001/02 Actual	Published 2002/03 Target	2002/03 Actual	Achievement
Total hectares of Crown forest lost to unwanted wildfire annually (based on a five-year rolling average)	17,095	< 45,000	20,471	Achieved
Percentage of unwanted wildfire contained at less than 4 hectares	91%	89%	93%	Achieved
Percentage of crown forest aerial-surveyed for insect infestations	93%	100%	100%	Achieved
Percentage of high priority bark beetle infestation sites treated by Forest Service (excluding Timber Sales Program)	61%	50%	89%	Over-Achieved

In 2002/03, forest fire response and containment targets were achieved, protecting lives and BC's productive forests. Development and consultation for the new *Wildland Fire Act* was undertaken in 2002/03. The Act is expected to be introduced in the fall of 2003.

Surveys to detect insect infestations were completed as planned. Gypsy moth populations did not require treatment in 2002/03. Bark beetle infestations, on the other hand, intensified with an increased rate of spread, challenging the ministry, forest industry companies and other agencies to control the damage to productive forests. Additional ministry funding was provided during 2002/03 to increase the percentage of high priority bark beetle infestation sites treated by the Forest Service.

Core Business 2 — Setting Performance Standards for Forest and Range Practices

This core business is fundamental to ensuring sound environmental stewardship of forest and range resources to ensure that they are used in a sustainable way. This in turn supports global recognition of environmental stewardship for BC and BC companies by ensuring that an appropriate regulatory framework is in place. This can also provide a foundation for forest certification of company operations.

Stewardship includes the regulation of forest and range practices, timber supply planning and determination, range planning and management, control of invasive alien plant species, recreation resource management, applied research, and forest gene resource management. The ministry continues its deregulation initiative that will reduce forestry regulation by one-third by 2004/05 without compromising environmental standards.

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Provincial investments in forest productivity, which are largely managed by forest companies, also assist in this goal while supporting the long-term value of the Crown's forest asset base. In addition, the Forest Investment Account promotes investments in sustainable forest management and improving the public forest asset base. A summary of Forest Investment Account programs and expenditures for 2002/03 is provided in Appendix 3.

The key objective and associated strategies for this core business are:

2.1 Ensure that forest and range resources are protected, managed and improved on a sustainable basis.

- Manage volume-based licenses within a defined forest area management model.
- Work co-operatively with forest companies and other stakeholders to implement timber supply and range analysis within a defined forest area management model.
- Increase the accountability of forest licensees in Timber Supply Areas, including timber supply analysis and control and monitoring of forest pests and diseases.
- Transfer the ministry's role in delivering discretionary forest health and silviculture activities to forest licensees.

2.2 Ensure performance standards from managing timber, forage, biodiversity, water, soil, forest habitat, and scenic resources are established and enforced.

- Implement a results-based *Forest Practices Code* by April 1, 2003 that encourages exemplary forest management of all forest resources by licensees.
- Target applied research activities to support scientifically-based standards of forest practices on Crown lands.
- Transfer the maintenance of Forest Service recreation sites and trails to other agencies and organizations.

Performance Measure	2001/02 Actual	Published 2002/03 Target	2002/03 Actual	Achievement
Status of implementation of the results based *Forest Practices Code* (FPC)	Initial development	Consultation & Legislation	Consultation and Legislation completed	Achieved
Number of completed effectiveness evaluations of the FPC legislation	3	3	3	Achieved
Percentage of Allowable Annual Cut (AAC) determinations or reviews achieved before their deadline	83%	80%	80%	Achieved
Percentage of Timber Supply Areas under defined forest area management	11%	20%	11%	Not Achieved
Client satisfaction with applied research completed by the Forest Service	N/A	Benchmark established	70%	Achieved

The *Forest and Range Practices Act* was passed by the legislature in November 2002, after stakeholder and public consultations based on publication of a white paper in April 2002.

Effectiveness evaluations of forest practices legislation, which supported development of the new Act, were done in the areas of wildlife trees, coarse woody debris and deregulation of silvicultural operations.

Allowable Annual Cut (AAC) determinations were made for 11 TSAs and 6 TFLs. Of those that were required during 2002/03 (to be determined within their 5 year deadline), 80% were achieved as planned. Delays in determining AACs for several TFLs were attributed to extended consultations with relevant First Nations.

Legislation required to introduce defined forest area management (DFAM) was prepared but not introduced in 2002/03. The forest health component of DFAM is included in the *Forest and Range Practices Amendment Act* and the Timber Supply component is included in the *Forest Statutes Amendment Act (No. 2)*, both of which were introduced in May 2003 for passage in the fall. This has caused the implementation of defined forest area management for TSAs to be delayed and the performance measure not achieved. The 11% benchmark for 2001/02 represents areas managed under Innovative Forest Practices Agreements (IFPAs) that have been in place for several years.

A research client satisfaction survey was completed in 2002/03, the results of which are published at: http://www.for.gov.bc.ca/hre/index.htm. The survey asked internal MOF clients and client sponsors to assess the progress and effectiveness of research within project groups linked by similar objectives. The overall rating was 70% satisfaction.

Performance Measure	2001/02 Actual	Published 2002/03 Target	2002/03 Actual	Achievement
Total number of Forest Service recreation sites managed by the ministry	1240	240	735	Not Achieved
Total number of Forest Service trails managed by the ministry	650	50	212	
Number of Forest Service recreation sites divested	31	1000	33	
Number of Forest Service recreation trails divested	0	600	21	
Volume gain (m^3 of timber per year) from all ministry reforestation activities, expected to be available fore harvest in approximately 65 years (excluding Timber Sales Program)	322,000	205,500	285,563	Over Achieved
Number of Forest Service Seed orchards closed or offered to the private sector	N/A	2 closed 6 offered	2 closed 6 offered	Achieved
Number of Forest Service nurseries offered to the private sector	N/A	2 offered	1 offered	Partial Achievement

As outlined in the Ministry of Forests 2002/03 – 2004/05 Service Plan, 1240 recreation sites and 650 trails managed by the ministry are intended to be largely divested between 2002/03 to 2004/05. However, during 2002/03, the ministry decided to continue to manage 735 recreation sites and 212 trails, and that the remaining sites and trails could be managed on a user-maintained basis and that partnership agreements with recreation groups, community organizations, First Nations, Forest Companies and individuals to manage sites and trails could be developed over a longer period. As a result, in 2002/03 ministry funding was redirected into recreation maintenance and the performance targets were adjusted internally. Although the published recreation targets were not achieved in 2002/03, this was a result of the change in strategic direction and allocation of additional ministry resources to recreation maintenance. This change in direction and associated performance measures has been incorporated into the Ministry of Forests 2003/04 – 2005/06 Service Plan.

Volume gain projected from reforestation activities funded by the Ministry exceeded the target. This represented planting 1365 ha and brushing 1059 ha. An additional 262,000 m^3 of volume per year is projected to be available for harvest in 65 years from activities funded by the Forest Stand Management Fund.

Ministry tree improvement activities during 2002/03 are estimated to have added a volume gain of greater than 1,671,000 m^3 of timber per year expected to be available at approximately 65 years.

As part of rationalizing infrastructure, the Campbell River and Cobble Hill Seed Orchards were closed in 2002/03. No offers from the private sector were received on the six seed orchards offered for lease. The ministry continues to operate these six seed orchards under its commitment to the tree improvement program.

The Skimikin Nursery in Salmon Arm was offered to the private sector, resulting in its sale on October 18, 2002, for $1.4 M to Skimikin Nursery Ltd. This is a company made up of Skimikin Nursery workers and the Outland Group, the largest silvicultural contracting company in Canada. The Government decided not to proceed with the offer of Surrey Nursery to the private sector during 2002/03.

Core Business 3a — Compliance and Enforcement

This core business includes all activities related to upholding BC's laws related to protecting the province's forest and range resources under MOF's jurisdiction. In 2002/03, these activities included enforcing environmental standards under the *Forest Practices Code of British Columbia Act* for forest and range management carried out both by the government and by forest and range tenure holders. This core function also included enforcing regulations to minimize fire, pests, and unauthorized activities that threaten the province's forest and range resources; and enforcing rules governing the use of Forest Service recreation sites and trails.

The key objective and associated strategy for this core business are:

3a.1 Ensure performance standards for managing timber, forage, bio-diversity, water, soil, forest habitat, and scenic resources are established and enforced.

- Implement a new compliance and enforcement regime for the results-based Code.

Performance Measure	2001/02 Actual	Published 2002/03 Target	2002/03 Actual	Achievement
Percentage of forest operator's compliance with environmental standards that regulate forest practices	92%	94%	93%	Substantially Achieved

Per cent compliance was affected slightly by a lower compliance rate of oil and gas industry licensees.

Of approximately 3,000 sites that were identified as a high priority for inspections based on an assessment of risk, 95% were inspected.

The slightly lower rate of compliance may reflect a change in ministry compliance procedures to focus fewer staff and inspections on the highest risk sites. This may have increased the proportion of inspections showing non-compliance.

Goal 2: Sustainable Forest Benefits

In British Columbia, more than 90 per cent of the land base that is suitable for timber production is publicly owned. Approximately 22% of employed British Columbians have jobs associated with the forest sector. Of the province's 63 regional economic areas, 41 per cent rely on forestry as their principal source of income. Forestry generated $1.3 billion in direct revenue to the provincial government during 2002/03, and remains a major contributor to British Columbia's current and future economic health.

As stewards of the forest resources on the behalf of government, the Forest Service has a major role in ensuring that the citizens of British Columbia benefit from commercial use of their forests. Sustainable forest benefits rely on a strong forest economy and a competitive forest sector.

International buyers are seeking assurances that the forest products they purchase come from well-managed forests. Certification is viewed by buyers and others as an important indicator of whether forests are well managed. The demand for certified forest products is expected to increase. The Forest Service is committed to working with industry and others to support increased certification of British Columbia forest products.

The Ministry recognizes the unique interests of First Nations in sustainable forest benefits; for their economic benefit and so they can have access to the forest for future generations.

Additional benefits from our forests and range resources are generated from the ranching industry, the use of forests for tourism and recreation, including guide-outfitting, and the botanical forest products industry.

The following key outcome indicators provide high level measures for our goal of sustainable forest benefits.

Key Outcome Indicator	2001/02 Benchmark	Published 2002/03 Projection	2002/03 Actual
Crown forest revenue ($ billion)	$1.164 (updated actual)	$1.122 (blue book) ($1.07 in Service Plan)	$1.296
Ratio of British Columbia Forest Industry Capital Investment to Depreciation and Amortization	<1.0	<1.0	< 1.0
Hectares of forest land certified by major forest certification processes (CSA, FSC or SFI)	7.7 million	> 7.7 million	17.4 million
British Columbia share of US softwood lumber market and Japan softwood lumber imports	US 17% Japan 45%	17% 45%	17.6% 43%

Crown forest revenue for the year was $1.296 billion, (see Table 2). Actual revenue was higher than the original blue book estimate of $1.122 billion. Harvest volumes were also higher for the year than originally expected. The slowing U.S. economy and the continuation of the softwood lumber tariffs on U.S. bound lumber were key issues again this year.

Table 2: 2002/03 Revenues (unaudited) by category and forest region

Revenue Categories	Cariboo	Kamloops	Nelson	Pr. George	Pr. Rupert	Vancouver	Victoria	Totals
	(thousands of dollars)							
Timber Tenure Stumpage	$119,265	$143,667	$46,458	$304,435	$57,881	$317,944	($10,736)	$978,914
Harvesting Rents and Fees	2,406	2,516	1,376	4,555	2,042	5,048	(468)	17,477
Doubtful Accounts Allowance	—	—	—	—	—	—	(3,750)	(3,750)
B.C. Timber Sales	49,600	47,355	25,985	71,533	28,115	73,358	(4,293)	291,654
Export	—	25	16	22	451	2,227	18	2,759
Range	782	861	214	398	87	3	—	2,346
Waste	1	34	9	35	28	1,280	—	1,387
Penalties	51	10	241	36	64	78	22	501
Interest	108	160	144	863	312	447	970	3,004
Miscellaneous	87	349	117	380	97	721	24	1,775
Totals	**$172,302**	**$194,977**	**$74,559**	**$382,257**	**$89,078**	**$401,105**	**($18,212)**	**$1,296,067**

Note: Totals may not add due to rounding.

The British Columbia share of U.S. softwood lumber market increased slightly (from 17 to 17.6%), reflecting record U.S. consumption and the effects of the anti-dumping duty on B.C. lumber production. In an effort to lower their dumping duties, some B.C. producers have added an additional shift in order to lower per unit production costs.

Our position among Japan's softwood lumber imports lost 2% (from 45 to 43%), reflecting the long running recession in Japan as well as a continued shift away from green Hemlock products in favour of kiln dried lumber from Europe and locally produced lumber made from inexpensive Russian logs.

Certification continued at a substantive rate, reflecting that some companies are seeking certification through more than one process. Of the additional 10 million hectares certified by major forest certification processes during 2002/03, the largest component was 6.5 million hectares certified under the Sustainable Forest Initiative (SFI) by a number of BC companies.

Core Business 3b — Compliance and Enforcement

This core function includes all activities focused at enforcing revenue policies and forest crimes such as theft, which have a direct impact on provincial revenues and the fair return to the public from commercial use of forest resources. In 2002/03, these activities included enforcing the revenue policies that govern removal and transportation of timber, marking, scaling, marine log salvage, log export; and, combating "forest crimes" (theft, arson, mischief) which are a significant drain on provincial revenue and a significant risk to other environmental, social and economic values.

The key objective and associated strategy for this core business are:

3b.1 Ensure that the public receives fair value for the use of its forest and range resources now and in the future.

- Implement a new compliance and enforcement regime that addresses the new pricing system, revenue safeguards, and changes to the tenure system.

Performance Measure	2001/02 Actual	Published 2002/03 Target	2002/03 Actual	Achievement
Per cent of revenue loss due to illegal activity	<2%	<2%	<2%	Achieved
Per cent of major forest theft and fraud investigations that are successfully concluded	Theft – 90% Fraud – 90%	Theft – 45% Fraud – 70%	Theft – 100% Fraud – 100%	Over-achieved

Targets for compliance and enforcement activities related to revenues and timber pricing were fully achieved. During 2002/03 it was decided that the determination of the per cent of revenue loss is too imprecise a measure on which to base a review of performance, so alternative measures are being considered for future years. Similarly, consideration is being given to broadening the basis for measuring the percentage of successfully concluded major forest theft and fraud investigations, since the above noted measure included only a few investigations initiated at headquarters.

Work on the new compliance and enforcement regime to address the new pricing system, revenue safeguards, and changes to the tenure system, is awaiting the finalization of associated legislation.

Core Business 4 — Pricing and Selling Timber and Range Use

The Forest Service has a major role in ensuring that the citizens of British Columbia benefit from commercial use of their forests. This relies on a strong forest economy and a competitive forest sector, which in turn is dependent on a fair pricing system, effective allocation and administration of timber harvesting rights, and a safe and cost effective road infrastructure to access timber.

The activities under this core business include timber tenure administration, timber pricing, market access activities, maintaining a forest road infrastructure and First Nations consultation.

The Forest Service has a core responsibility to provide British Columbians with benefits from the commercial use of public forests. To achieve the goals of increased effectiveness and being more commercial, the ministry has refocused the mandate of the Small Business Forest Enterprise Program (SBFEP) and moved operations into a new organization called BC Timber Sales, which will be managed independently from the field services division.

The ministry is responsible for establishing all forest road and bridge construction and maintenance standards. Those standards apply to approximately 120,000 kilometres of forest roads built and maintained by the forest industry under road permit and 44,000 kilometres of Forest Service Roads. With respect to Forest Service Roads, although the ministry is responsible for all 44,000 kilometres of Forest Service roads including 4,900 bridges and other major structures, 33,000 kilometres and the majority of bridges are maintained by the forest industry on the ministry's behalf. The remainder are maintained by the ministry to either the wilderness or public use standard.

The Forest Investment Account promotes investment in product development and international marketing initiatives. A summary of programs and expenditures for 2002/03 is provided in Appendix 3.

The key objective and associated strategy for this core business are:

4.1 Enhance opportunities to generate wealth from forest and range resources.

- Make the Small Business Forest Enterprise Program more effective and put it on a commercial footing.
- The maintenance of Forest Service roads and bridges, except for those accessing remote communities, to be transferred to other agencies, converted to a new wilderness road designation, permanently deactivated, closed or maintained on a user-pay basis.

4.2 Maintain and expand international markets for British Columbia forest products.

- Pursue free access for British Columbia forest products to markets in the United States.
- Develop and implement new international marketing initiatives.

4.3 Ensure that the public receives fair value for the use of its forest and range resources now and in the future.

- Implement a market-based pricing system to generate appropriate revenues to the Crown.

4.4 Strengthen and support the competitiveness of the forest sector.

- Reform government market intervention regulations.

Performance Measure	2001/02 Actual	Published 2002/03 Target	2002/03 Actual	Achievement
Status of implementation of market based pricing system	N/A	Full implementation	Not implemented	Not achieved
Net Revenue generated from the Timber Sales Program (TSP)	$121 million	$77 million	$143 million	Over - achieved
Percentage of TSP volume advertised for sale	97%	100%	99%	Substantially Achieved
Percentage of Timber Supply Area Allowable Annual Cut under a form of tenure	97%	95%	97%	Achieved
Percentage of available Animal Unit Months of forage allocated	90%	90%	90%	Achieved
Kilometres of Forest Service roads maintained by the ministry	9,356	5,000	1,166	Achieved (see below)
Number of Forest Service road bridges replaced by the ministry	37	0	2	Substantially Achieved

For much of the year, key ministry staff were devoted to the Canada/U.S. Softwood Lumber dispute. This involved significant consultation with industry to refine market pricing models and supporting softwood lumber trade negotiations throughout the year.

Progress was made on implementing a market pricing system on the Coast. In November 2002 a new Coastal Market Pricing model was released after the ministry and coastal licensees explored and refined this new model for potential application to all coastal timber.

The Market Pricing System was not implemented for all B.C. timber as significant discussion occurred both domestically and internationally, and as such, no implementation decisions were undertaken by government.

Throughout the year, business area staff also continued to refine stumpage calculations and processes to assist in dealing with the significant bark beetle epidemic in the North Central Interior.

In November 2002 development of the Electronic Commerce Appraisal System (ECAS) began. This project will allow the transfer of appraisal data electronically and will make the business area more efficient, using an Internet based approach with the forest industry.

Work on the Harvest Billing System continued throughout the year and an industry pilot was completed as planned during March 2003. In addition to having invoices and harvest data available on the Internet, the ministry has been receiving scale data electronically through the Internet since March 2003. Project completion and full implementation will occur in the fall 2003. This will enable the ministry to invoice the industry electronically.

The significant over-achievement of the performance target for net revenue generated from the Timber Sales Program can be attributed in part to the accelerated timber harvest associated with the bark beetle prevention program and high mill production resulting from the U.S./Canada softwood lumber trade issues.

The targets of 95% of Timber Supply Area AAC under a form of tenure and 90% of animal unit months of forage allocated were both achieved. This meant that timber was available as planned to forest companies and timber producers, and that forage was available as planned to ranchers and hay producers.

In 2002/03 the ministry fully maintained 1,166 kilometres. Therefore the ministry achieved its goal of reducing the kilometres of roads being fully maintained by the ministry to less than 5,000 kilometres. To achieve this goal the ministry transferred maintenance responsibility on Forest Service Roads to industry, realigned the ministry Forest Service Road maintenance policy to only provide guaranteed access (brushing and surface maintenance) to communities and school bus routes (1,166 kilometres) and converted the remaining road inventory, some of which access seasonal and permanent dwellings, to a new wilderness road standard. The wilderness road standard directs maintenance funding to environmental protection projects; it does not provide funding to restore or maintain access. In a few instances, in accordance with the new maintenance policy, some Forest Service Roads were permanently deactivated, or closed for safety reasons.

The ministry's long term objective is to transfer responsibility for maintaining the majority of Forest Service Roads accessing communities and all Forest Service Roads that rural residents believe require higher maintenance levels than that offered through the wilderness standard to other agencies and groups. As such ministry staff and others continue their work rationalizing the provincial forest road network in order to achieve that objective.

Two bridges were replaced on Forest Service roads. In the Prince George Forest Region, one bridge was washed out and replaced under the Provincial Emergency Program, while another high-priority bridge was washed out and replaced in the Nelson Forest Region. Not withstanding the rain events in Prince George Region, road maintenance requirements in 2002/03 were kept to a minimum by unseasonably dry weather.

Goal 3: Effective Sustainable Forest Manager

As the Forest Service moves towards its 100th anniversary, we are on track to revitalize ourselves as the stewards of the province's forest and range resources. While undertaking the many challenges and opportunities involved in this endeavour, we will bear in mind that our core purpose is to ensure that sustainable forest resources deliver sustainable forest benefits for the citizens of British Columbia. The effectiveness of our organization is dependent upon highly trained and knowledgeable staff who will continue to be responsive and performance-focused.

The following key outcome indicator provides a high level measure for our goal of being an effective sustainable forest manager.

Key Outcome Indicator	2001/02 Benchmark	Published 2002/03 Projection	2002/03 Actual
Public Trust in the BC Forest Service	N/A	Benchmark Established	60%

On behalf of the ministry, in the fall of 2002 BC Stats surveyed a random sample of British Columbians about their attitudes towards forestry and the BC Forest Service. Results indicate that 60% of British Columbians trust the Forest Service to manage and protect our public forests for the long-term and 73% think the Forest Service is an effective organization.

Core Business 5 — Corporate Services

The ministry intends to become a more effective organization by improving its governance and service delivery processes. The corporate services core business therefore includes both of these aspects.

Key clients for the strategic policy and governance aspect are the Executive, Minister and Cabinet. Activities are structured within key frameworks for policy and legislation development, performance management, internal audit and evaluation, and litigation support. Executive, regional and district management, and staff in the Corporate Policy and Governance Division play a key role in delivery of these functions.

Support service activities include finance and administration, human resources, central infrastructure management, Freedom-of-Information, records management, continuous improvement and best practices initiatives, as well as application of information technology. These services are delivered at all levels of the organization — branch, region and district. While focused at supporting internal management and employees, they also serve industry and the general public.

The key objective and associated strategies for this core business are:

5.1 Achieve a successful transformation of the organization so that the Forest Service has the right people with the right skills to fulfill its mandate.

- Implement a successful workforce adjustment process to support the new Forest Service mandate.
- Implement succession planning, training and leadership programs, and diversity initiatives to attract and retain highly qualified staff.

5.2 Regularly assess the performance of the organization and incorporate a culture of positive change to ensure achievement of our mandate.

- Enhance the effectiveness of our corporate planning by fully integrating performance management with the internal business planning and budget processes.
- Increase the effectiveness and efficiency of core and administrative functions by redesigning business areas and implementing best-practices principles across the organization.

5.3 Ensure that the public has confidence that their forest and range resources are being well managed.

- Implement a communications strategy to advise the public on forest policy shifts.
- Involve the public through the Minister's Forest Practices Advisory Committee.

Performance Measure	2001/02 Actual	Published 2002/03 Target	2002/03 Actual	Achievement
Percentage of corporate performance measures substantially achieved	90%	95%	86%	Substantially Achieved
Percentage of expenditure targets achieved	100%	100%	100%	Achieved
Number of key legislation milestones achieved	N/A	10	10	Achieved
% of business areas redesigned and implemented to support the refocused Forest Service mandate	N/A	50%	40%	Substantially Achieved
Number of best practices projects implemented	3	3	3	Achieved
Percentage (Number) of major client services provided electronically	10%	20%	20% (3)	Achieved

This core business had 6 performance measure targets for 2002/03. Under the first, which was to achieve 95% of published performance measure targets, 86% were substantially achieved or achieved. The remainder were not fully achieved primarily due to associated legislation not being enacted during 2002/03, or due to a change in strategic direction during 2002/03. The ministry achieved 100% of its expenditure targets in 2002/03.

Of its 10 key legislation milestones associated with major forest policy changes to be completed in 2002/03, the ministry fully or substantially achieved all 10 milestones. These included milestones associated with the deregulation and legislation changes to the *Forest Act*, the *Forest and Range Practices Act* and the Timber Sales Program Reform.

The ministry substantially achieved its performance target for the re-design of internal business areas. These included successful completion of design work on Timber Tenures, First Nations, the *Forest and Range Practice Act*, and the Human Resources Strategy (Corporate Governance). However, full implementation of re-design in 2002/03 has been delayed in some business areas in anticipation of changes to be brought about by new forest policy to be introduced in 2003/04.

The ministry substantially achieved the implementation of its best practices projects in 2002/03. These projects included completing 1) the data warehouse implementation and reporting project, and 2) the Oracle I-Expense implementation. 3) The OCG post-payment review of low risk STOBs is in place and payment authority for low risk is no longer required. Treasury Board approval was received late in March, 2003 for further government-wide accounts payable streamlining which should result in the full elimination of payment authority by the end of fiscal 2003/04.

The ministry achieved its performance target of increasing the percentage of major client services provided electronically. For 2002/03, this involved the completion of 3 major projects: automated transmission of appraisal data from licensees (ECAS), automation of seed requests from the tree seed center (SPAR), and automation of billing inputs in the Harvest Billing System.

Report on Resources

2002/03 Resource Summary by Core Business

	Estimated	Other Authorizations	Total	Actual	Variance
Operating Expenses ($000)					
Protection of the Forest and Range Assets	121,176		121,176	96,241	24,935
Setting Performance Standards for Forest and Range Practices	83,550		83,550	71,781	11,769
Pricing and Selling Timber and Range Use	199,852	297,998	497,850	503,733	(5,883)
Compliance and Enforcement	29,620		29,620	33,450	(3,830)
Corporate Services	40,716		40,716	43,584	(2,868)
Forest Investment	146,000		146,000	144,294	1,706
Total	**620,914**	**297,998**	**918,912**	**893,083**	**25,829**
Full-time Equivalents (FTEs)					
Protection of the Forest and Range Assets	626		626	671	(45)
Setting Performance Standards for Forest and Range Practices	870		870	761	109
Pricing and Selling Timber and Range Use	1,346		1,346	1,272	74
Compliance and Enforcement	376		376	345	31
Corporate Services	348		348	408	(60)
Forest Investment	3		3	3	—
Total	**3,569**		**3,569**	**3,460**	**109**

[1] Estimates as presented to the Legislative Assembly on February 19, 2002.

[2] The ministry received access to Contingencies for softwood legal costs ($2.791 M). Statutory appropriation was provided to make payments for compensation for harvesting rights ($200 M), for the BC Forestry Revitalization Trust ($75 M) and for BC Timber Sales ($20.2 M).

	Estimated[1]	Other Authorizations[2]	Total	Actual	Variance
Ministry Capital Expenditures (CRF) ($000)					
Protection of the Forest and Range Assets	4,151		4,151	915	3,236
Setting Performance Standards for Forest and Range Practices	5,649		5,649	4,288	1,361
Pricing and Selling Timber and Range Use	5,709		5,709	6,859	(1,150)
Compliance and Enforcement	1,570		1,570	2,418	(848)
Corporate Services	2,041		2,041	1,912	129
Forest Investment	—		—	—	—
Total	**19,120**		**19,120**	**16,392**	**2,728**
Consolidated Capital Plan Expenditures (CCP) ($000)					
Total	—	—	—	—	—
Other Financing Transactions ($000)					
Pricing and Selling Timber and Range Use (Small Business Forest Enterprise Program)					
Receipts					
Disbursements	6,880	10,431	17,311	17,311	—
Net Cash Source (Requirements)	6,880	10,431	17,311	17,311	—
Total Receipts	—	—	—	—	—
Total Disbursements	**6,880**	**10,431**	**17,311**	**17,311**	—
Total Net Cash Source (Requirements)	**6,880**	**10,431**	**17,311**	**17,311**	—

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2002/03 Resource Summary Mirroring the *Estimates* Vote Structure

	Estimated	Other Authorizations	Total	Actual	Variance
Operating Expenses ($000)					
Ministry Operations Vote – Minister's Office	502		502	400	102
Ministry Operations Vote – Corporate Services	29,512		29,512	30,214	(702)
Ministry Operations Vote – Forest Resources Management	213,668	2,791	216,459	215,859	600
Fire Suppression Vote – Direct Fire	55,380		55,380	37,781	17,599
Fire Suppression Vote – Fire Preparedness	45,712		45,712	43,246	
Forest Investment Vote– Forest Investments	134,000		134,000	133,135	865
Forest Investment Vote – International Marketing	12,000		12,000	11,159	841
Statutory Account – Compensation for Harvesting Rights		200,000	200,000	200,000	—
Statutory Account – BC Forest Revitalization Trust		75,000	75,000	75,000	—
Statutory Account – Interest on Revenue Refunds		4	4	4	—
Special Account – Forest Stand Management Fund	2,293		2,293	2,059	234
Special Account – Small Business Forest Enterprise Program	124,019	20,203	144,222	144,222	0
Special Account – South Moresby Implementation – Forest Replacement	3,828		3,828	5	3,823
Total	**620,914**	**297,994**	**918,912**	**893,083**	**25,829**

	Estimated	Other Authorizations	Total	Actual	Variance
Full-time Equivalents (FTEs)					
Ministry Operations Vote – Minister's Office	5		5	4	1
Ministry Operations Vote – Corporate Services	213		213	212	1
Ministry Operations Vote – Forest Resources Management	2,728		2,728	2,658	(70)
Fire Suppression Vote – Direct Fire	130		130	124	6
Fire Suppression Vote – Fire Preparedness	490		490	459	31
Forest Investment Vote – Forest Investments	3		3	3	0
Total	**3,569**		**3,569**	**3,460**	**109**
Ministry Capital Expenditures (CRF) ($000)					
Ministry Operations Vote – Corporate Services	9,300		9,300	9,236	64
Ministry Operations Vote – Forest Resources Management	5,830		5,830	4,194	1,636
Fire Suppression Vote – Fire Preparedness	2,980		2,980	2,503	477
Special Account – Small Business Forest Enterprise Program	1,010		1,010	315	65
Total	**19,120**		**19,120**	**16,248**	**2,872**
Consolidated Capital Plan Expenditures (CCP) ($000)					
Total	—	—	—	—	—
Other Financing Transactions ($000)					
Small Business Forest Enterprise Program					
Receipts					
Disbursements	6,880	10,431	17,311	17,311	—
Net Cash Source (Requirements)	6,880	10,431	17,311	17,311	—
Total Receipts	—	—	—	—	—
Total Disbursements	**6,880**	**10,431**	**17,311**	**17,311**	—
Total Net Cash Source (Requirements)	**6,880**	**10,431**	**17,311**	**17,311**	—

Summary Reports on Other Planning Processes

Human Resources Management Plan

During the 2002/03 fiscal year, the Ministry of Forests went through a major organizational change resulting from Core Review. In addition to significantly restructuring the organization, the ministry entered its second, and largest phase, of workforce adjustment — reducing its workforce by over 700 FTEs. The primary human resource (HR) focus was to ensure a successful transition for all employees. The emphasis was on assisting affected employees through securing placement opportunities wherever possible, as well as making available various methods of support such as counseling, change management, career development, and retirement planning.

In September 2002 the ministry published its HR Strategic Plan, outlining seven priority areas (communications, workforce adjustment, organizational structures and functions, aligning the management of human resources, leadership, attracting and retaining talent, and implementing an integrated diversity program). At the same time, the ministry launched a workplace survey that allowed staff to comment on their opinions and perceptions about their employment, the workplace and their experiences within the ministry. There was a 75 per cent participation rate that helped identify and benchmark both the ministry's strengths, as well as its weaknesses. The results of the survey will be used to build strategies to help improve the workplace in order to strengthen the Forest Service for the future.

Information Resources Management Plan

During the year a major initiative was launched with the goal of replacing the majority of the ministry's major computer applications with modern versions. Approximately 6.6 million lines of computer code will be replaced. These new systems will be cheaper to operate, and will be better adapted to the ministry's new operational environment. Several will incorporate electronic commerce capacity.

Delivery of the new systems began in January of 2003. Electronic transmission of seedling requests and timber scale returns has also commenced.

The ministry has been working intensively with the new shared service organization to develop new operating relationships. A total of 56 ministry staff were transferred to it.

A system for managing email and other computerized records was put in place in a number of ministry offices. This system was particularly helpful in managing the records of offices that were in the process of closing.

Appendix 1 — Legislation

The main statutes for which the Forest Service has responsibility are as follows:

Forest and Range Practices Act and *Forest Practices Code Act of BC*

In November 2002, the ***Forest and Range Practices Act*** was introduced. By 2005, this act will completely replace the ***Forest Practices Code Act of British Columbia***. A series of regulations will provide for the transition between the two statutes. The new Act is intended to be less process oriented and more results specific.

Both Acts enable the Forest Service to:

- establish stewardship standards for forest and range practices,.
- ensure that the legislated requirements for sustainable forest practices are followed,
- meet the requirements for higher-level plan objectives established through strategic planning, and
- carry out compliance and enforcement activities to ensure stewardship standards are met.

Forest Act

The ***Forest Act*** provides the Forest Service with the authority to:

- Determine an allowable annual cut for Crown land in each timber supply area and for each tree farm licence, woodlot licence and community forest agreement area.
- Enter into and administer agreements that authorize:
  - timber harvesting, generating revenue to the government, and
  - road construction, maintenance or use.

The major changes in the strategic direction of the Forest Service being incorporated into the ***Forest Act*** during the three-year Service Plan period, are:

- Move to defined forest area management;
- Implement a market-based pricing system to generate appropriate revenues to the government;
- Implement the Forestry Revitalization Plan
- Make the BC Timber Sales Program more effective and put it on a commercial footing.

Ministry of Forests Act

The ***Ministry of Forests Act*** is continued with minor amendments. This Act continues the Forest Service and provides it with a broad and general mandate to:

1. encourage maximum resource productivity,
2. manage resources responsibly to achieve the greatest short- and long-term social benefits,
3. practise planned, integrated resource management and use,
4. encourage a globally competitive forest industry, and
5. assert the financial interest of the government.

Range Act

The ***Range Act*** authorizes the Forest Service to allocate and administer the use of range resources by the livestock industry through grazing and hay-cutting agreements that provide revenue to the government.

Wildland Fire Act

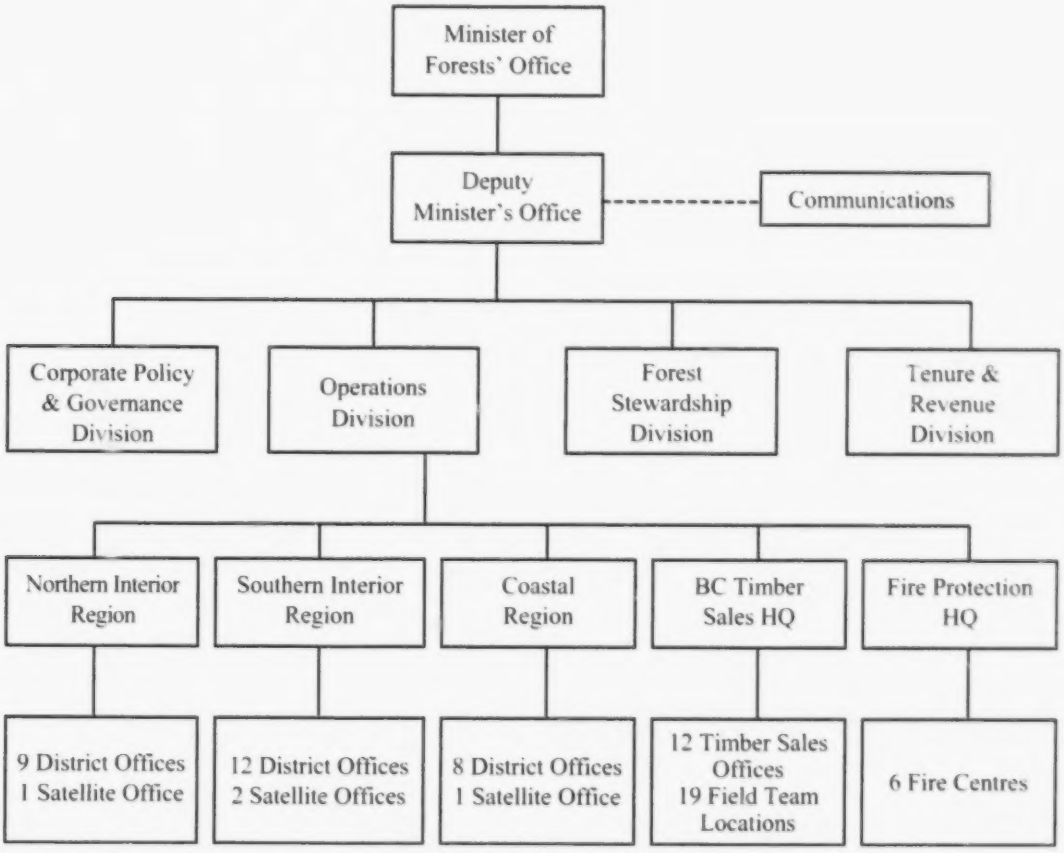
By January 2004 a new ***Wildland Fire Act*** will replace the protection provisions currently in the *Forest Practices Code of BC*. The new Act and regulations will be more results-based while providing greater regulatory freedom for the forest industry. The new Act will still ensure that government retains the authority to fight any fire that threatens forest resources and to restrict access, limit operations and requisition equipment and personnel in the event of significant fire activity.

Appendix 2 — Ministry Organization

In response to its refocused mandate and resource reduction requirements, the ministry has undertaken a significant restructuring of its current organization. This restructuring will align available resources with the ministry's core business functions.

The Victoria headquarters structure will consist of the following major elements: Corporate Policy ans Governance division, Operations division (Field Services and BC Timber Sales), Forest Stewardship division, Tenure and Revenue division, and Communications.

The field structure of the ministry will consist of the following major elements: three forest region offices with 29 forest district offices and 4 satellite offices; 12 BC Timber Sales offices; and 6 fire centres.



Appendix 3 — Forest Investment Account

Forest Investment Account Overview

The Forest Investment Account (FIA) is a forest-sector investment model, led by government, established to deliver the Province's forest investment in an accountable, efficient manner. It is founded upon a Vote of the Legislature, authorizing the Minister of Forests to provide funding to help government develop a globally recognized, sustainability managed forest industry. Investment dollars have been directed to activities on public land — enhanced forestry, watershed restoration and resource inventories — and marketing and research that supports sustainable forest management and increased allowable annual cuts. Specific amounts have been dedicated to program elements at the provincial level, other amounts have been allocated for disbursement to tree farm license holders and certain types of tenure holders in each timber supply area.

Forest Investment Account Objectives

Across the sweep of provincial and local program elements, the objectives of FIA expenditures include:

Objective 1 — Actively fostering sustainable forest management;

Objective 2 — Improving the public forest asset base; and

Objective 3 — Promoting greater returns from the utilization of public timber.

Forest Investment Account Organizational Overview

The Forest Investment Account comprises the following programs:

- Land-Base Investment Program (LBIP)
- Crown Land Use Planning Enhancement (CLUPE)
- Tree Improvement Program (TIP)
- Small Tenures Program
- Forestry Innovation Investments Programs — Research, Product Development, International Marketing

Within the context of the Legislature's voted appropriation, the Minister of Forests has decision-making authority in respect of FIA parameters. The Deputy Minister of Forests chairs a Forest Investment Council (Figure 1) that periodically reviews and makes recommendations on all FIA programs. The Council includes the Deputy Ministers of Ministry of Sustainable Resource Management (MSRM) and Ministry of Water, Land and Air Protection (MWLAP), three licensee representatives, and one representative from the forest research and technology sector.

Figure 1 – Forest Investment Account Organizational Overview

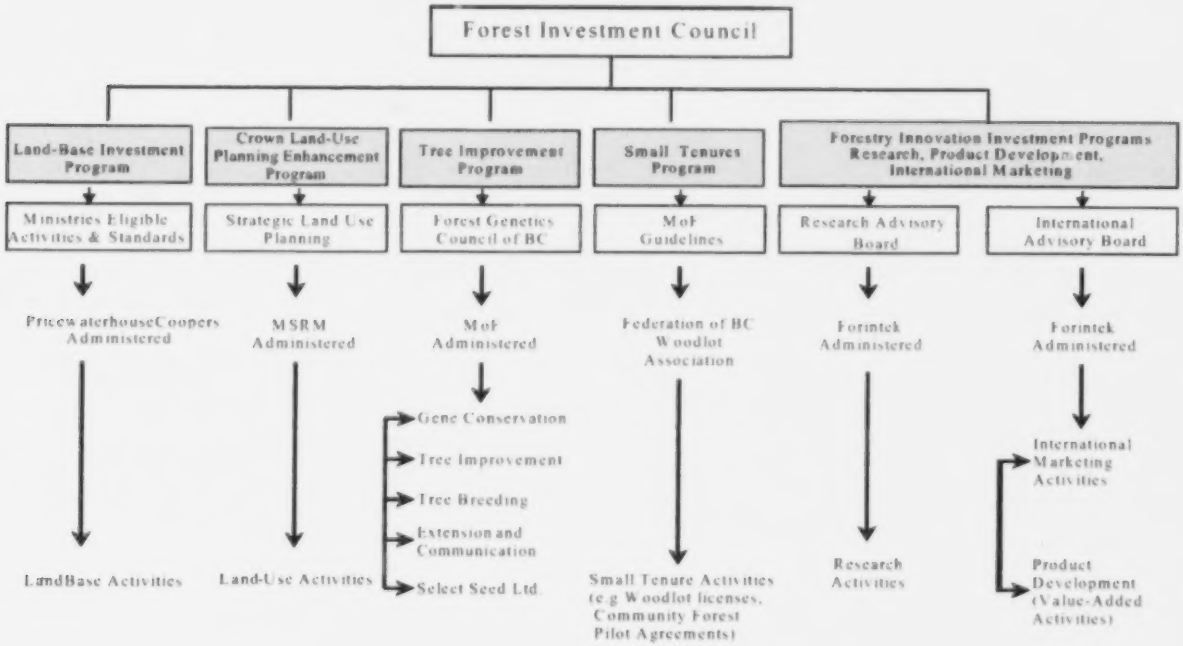


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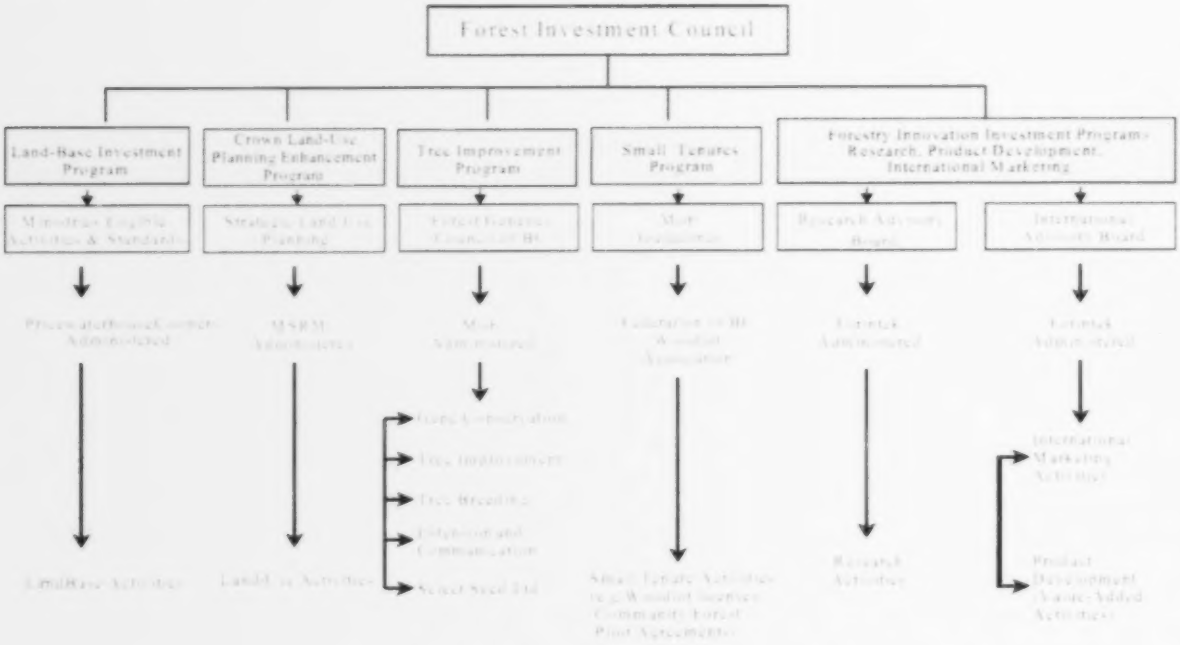
Figure 1 – Forest Investment Account Organizational Overview


Forest Investment Council
Land-Base Investment Program
Crown Land-Use Planning Enhancement Program
Tree Improvement Program
Small Tenures Program
Forestry Innovation Investment Program - Research, Product Development, International Marketing

The Council receives progress reports and audit results from the private-sector administrators (e.g. PricewaterhouseCoopers and Forintek) and is responsible for determining whether guidance or restrictions are necessary to ensure that investment choices provide the greatest contribution to sustainable forest management.

Administration of most FIA activities is provided by the private-sector firms rather than by government staff. PricewaterhouseCoopers (PwC) provides day-to-day administration for the Land Base Investment Program, and Forintek Canada Corp. does the same for the Research, Product Development, and International Marketing Programs. The Federation of BC Woodlot Associations (FBCWA) administers the Small Tenures Program.

PwC, Forintek and the FBCWA ensure that proposed activities meet eligibility criteria for FIA funding and constitute an optimum mix of expenditures to promote program objectives. They also provide funds to successful proponents, track project delivery, and are responsible for performance and financial auditing.

The Forest Innovation Investment Programs have two advisory boards, one for the International Marketing and Product Development programs, and the other for the Research program, which provide advice on strategic direction, including the goals and objectives for the respective programs.

2002/03 Progress on Meeting Program Objectives

Forest Investment Account

Forest Investment Account			
	Budget	Actual	Variance
2002-03 Program Investments ($000)			
Land-base Investment Program	95,500	90,887	4,613
Crown Land Use Planning Enhancement Program	3,700	3,700	—
Tree Improvement Program	5,800	5,700	100
Small Tenures Program	1,000	894	106
Research Program	20,000	17,440	2,560
Product Development Program	8,000	5,902	2,098
International Marketing Program	12,000	11,059	941
Grants and Contribution Agreements[1]	**N/A**	**4,150**	**(4,150)**
Total — Program Expenditures	**146,000**	**139,732**	**6,268**
Accrual (not realized)		4,561	(4,561)
Total — Public Account Expenditure	**146,000**	**144,293**	**1,707**
2002-03 Full-time Equivalents (FTEs)			
Total	**3**	**3**	**—**

[1] Grants and contribution agreements include: the Select Seed Ltd contract, a membership to the Sustainable Forest Management Network, and a grant to Forintek Canada Corporation for implementation in 2003/04.

Land-Base Investment Program

Significant change to how forest management is undertaken on public lands in British Columbia is occurring. The central theme and a key driver for this change is a shift to a "results-based" rather than a "prescriptive-based" approach. The FIA land-base program is one of the tools available to the forest industry for implementing this change.

The Land-Base Investment Program provides funding for the forest industry to plan and deliver investments in strategic resource planning, enhanced forestry, restoration and rehabilitation of roads and riparian areas, and resource information. Funding is also provided to ministries to establish objectives and standards, and to maintain and utilize data resulting from FIA investments.

Staff in the Ministry of Forests, with assistance and input from staff in MSRM and MWLAP, are responsible for establishing FIA objectives and delivery standards. Having established the operating criteria for FIA, government staff have no direct role in setting activity priorities, approving LBIP projects, verifying fieldwork, or certifying project completion.

Investments in the Land-Base Investment Program contribute to the FIA objectives of actively fostering sustainable forest management and improving the public forest asset base by:

- Acquiring better information about forest resources.
- Improving the modelling of forest dynamics.
- Fostering comprehensive strategic land-use planning.
- Monitoring changes to forest resources.
- Supporting the creation of sustainable forest management plans.
- Supporting the feasibility of third-party certification.
- Funding backlog reforestation of areas denuded before 1987.
- Reclaiming and enhancing site productivity.
- Restoring damaged ecosystems.

2002-03 Program Investments ($000)			
Land-base Investment Program			
	Budget	Actual	Variance
Information Gathering and Management	N/A	29,615	N/A
Stand Establishment and Treatment	N/A	26,528	N/A
Restoration and Rehabilitation	N/A	9,978	N/A
Strategic Resource Planning	N/A	7,982	N/A
Infrastructure	N/A	1,538	N/A
Gene Resource Management	N/A	221	N/A
Training and Extension	N/A	441	N/A
Sub-Total	**80,400**	**76,303**	**4,097**
LBIP Administration (PwC)	**3,600**	**2,936**	**664**
Standards Development & Data Management	**11,500**	**11,648**	**(148)**
Total — Program Expenditure	**95,500**	**90,887**	**4,613**
Accrual (not realized)		2,616	(2,616)
Total — Public Account Expenditure	**95,500**	**93,503**	**1,997**

Key Accomplishments:

Information gathering and management

- A combined total of 69.2 million hectares of new resource information was acquired that ultimately will lead towards improved land use planning and decision-making. This includes an increase in the amount of provincial Crown land area where information relating to terrain stability, terrestrial ecosystems, vegetation resource inventory, archaeology, biodiversity, wildlife, and recreation has been enhanced.
- 2,154 growth and yield plots re-measured or established. This information contributes towards estimating future volume and quality of timber yields from our forests supply,

update forest inventories, provide input for forest management planning, evaluate enhanced stand management opportunities, and assess the impacts of pests and fire on timber yield.

Stand Establishment and Treatment

- Over 388,000 hectares of forest stands treated for enhanced silviculture. Activities funded include improved incremental silviculture treatments (i.e. pruning, juvenile spacing, or fertilization), and reforestation of backlog areas. The investment in these treatments contribute to growing higher quality second growth stands faster on Crown lands available for timber production.
- Detection and quantification of forest health issues was completed for over 5 million hectares of Crown land. These were used for the prescription and implementation of protective or suppressive treatments to anticipate and prevent insect, disease and mammal damage to reforested areas and old growth stands.

Restoration and Rehabilitation

- Permanent road deactivation, landslide and gully rehabilitation and assessments was carried out on 4,438 km of non-status forest roads (i.e. road on Crown land that is not being used under any authorization by a government agency), thereby reducing the risk of damage to resources (including **environmental,** social and economic) within and adjacent to the road location from landslides and other environmental hazards.

Strategic Resource Planning

- 120 strategic forest management plans initiated towards providing the foundation for achieving sustainable forest management by setting goals, indicators and targets for a defined forest area.
- 76 forest management strategies initiated that identify objectives for values as identified in the pending *Forest and Range Practices Act* (e.g. timber; fish, wildlife and habitat, water, recreation, visual quality) that can be met through FIA activities

Infrastructure

- 87 forest recreation sites and 959 km of forest recreation trails maintained or established to provide user safety; provide sanitary conditions; protect the environment; provide user access and convenience; and protect investment in infrastructure.
- 1,145 km of maintenance on wilderness roads assessed to ensure protection of private and public property, and other social and economic values.

Crown Land Use Planning Enhancement

The Crown Land Use Planning Enhancement (CLUPE) Program has been established to augment the province's strategic land use planning program. Strategic land use plans are completed for areas across the province to resolve land use conflicts, identify management priorities and establish resource objectives for specified areas of Crown land. This set of objectives guides resource management and use and helps to identify economic opportunities within the plan area.

Investments in the CLUPE Program contribute to the FIA objective of actively fostering sustainable forest management by:

- Fostering comprehensive strategic land-use planning.

CLUPE funds are used towards the following objectives:

- Developing resource objectives and capacity building — to prepare resource objectives and to enable First Nations, local government staff and interested members of stakeholder groups and the general public to participate more effectively in strategic land use planning and sustainable resource management planning.
- Inventory and decision support — to provide better tools and information based on appropriate inventories that will assist planning participants to assess options based on a better picture of local needs and circumstances.
- Implementation, monitoring and evaluation — to ensure land use decisions are achieving their anticipated social, economic and environmental goals.
- Research — to provide scientifically sound information upon which to base planning decisions.

2002-03 Program Investments ($000)			
Crown Land-Use Planning Enhancement Program			
	Budget	Actual	Variance
Developing resource objectives and capacity building	2,866	2,866	—
Inventory and decision support	365	365	—
Implementation, monitoring and evaluation	119	119	—
Research	350	350	—
Total	**3,700**	**3,700**	**—**

Key Accomplishments:

Developing Resource Objectives and Capacity Building

- Complete the Horsefly Sustainable Resource Management Plan (SRMP) including First Nations consultation and a short-term timber availability assessment.
- Prepare draft 100 Mile House SRMP including a short-term timber availability assessment.
- Support public consultation and data development for the Quesnel SRMP.
- Complete the Chilako Stewardship Plan.
- Prepare visual quality objectives for the Robson Valley TSA.
- First Nations consultation or participation in the Prince George, North Coast, Morice and Lillooett Land and Resource Management Plan (LRMPs).
- Develop key water management objectives in Kootenay Region.
- Completed Lillooet Timber and Economic Recovery Plan.

Inventory and Decision Support

- Development of ecosystem based management framework for the Central Coast LRMP.
- Environmental and economic assessments for the Central Coast LRMP.
- Predictive ecosystem mapping for Coast Region.
- Old Growth inventory for the Fort St. John code pilot project.
- Develop Omineca-Peace regional indicators for SRMPs.
- VRI, growth and yield projects for Prince George TSA.
- Assessment of caribou habitat and supply estimator, Mackenzie TSA.
- Analysis, fieldwork and inventory of future old growth management areas in Kootenay Region.

Implementation, Monitoring and Evaluation

- Implementation analysis for the Revelstoke and Area Land Use Planning Recommendations.
- Mature seral analysis for the Kootenay-Boundary Land Use Plan (KBLUP) Higher Level Plan.
- Spatial analysis for Kootenay Lake and Arrow Forest Districts to evaluate the KBLUP HLP.
- Implementation of the Okanagan-Shuswap LRMP direction on Mission Creek Enhanced Watershed Advisory Committee.

Research

- Complete criteria/indicator databases and spatial analysis for the Rocky Mt. Forest District.

Tree Improvement Program

The Tree Improvement Program is an operational investment plan for the management of the genetic resources of the Province. The program focuses on improving the public forest asset base by supporting the development and availability of genetically well-adapted, high quality reforestation material from natural sources and through the conservation of our forest gene resources. The Forest Genetics Council (FGC) of British Columbia, appointed by B.C.'s Provincial Chief Forester guides tree improvement activities in the province.

Investments in the Tree Improvement Program contributes to the FIA objective of improving the public forest asset base by:

- Supporting the creation and deployment of improved seedlings and other germplasm.

Based on its goals and objectives, the FGC has defined a provincial forest gene resource management program with the following components:

- Gene Conservation — activities monitor the gene pool needed for species to adapt to future environmental conditions, and provide technical recommendations on how to maintain the genetic resource for future generations.

- Tree Breeding — activities include selecting parents in wild stands, testing offspring, establishing/maintaining/measuring trials, and delivering technical support.
- Operational Tree Improvement Program (OTIP) — focuses on increasing the quality and quantity of select (Class A) seed produced from existing forest company and MoF seed orchards.
- Expansion of Orchard Seed Supply — the Ministry of Forests supports seed orchard expansions and the cooperative production of vegetative materials through SelectSeed Company Ltd., a company under the control of the Forest Genetics Council of B.C.
- Extension and Communication subprogram — meets FGC goals and objectives related to extension, communication, and education activities.
- Gene Resource Information Management — supports the development of computer-based systems that improve user access to information on select reforestation materials.
- Program Planning — supports development of business plans, species plans, and annual activity plans.

2002-03 Program Investments ($000)			
Tree Improvement Program			
	Budget	Actual	Variance
Gene Conservation	250	250	—
Tree Breeding	1,981	2,023	(42)
Operational Tree Improvement	1,130	1,036	93
Expansion of Orchard Seed Supply	1,900	1,930	(30)
Extension and Communication	94	64	31
Gene Resource Information Management	145	123	22
Administration	300	274	26
Total	**5,800**	**5,700**	**100**

Key Accomplishments:

- Completion of gene conservation status analysis for 11 commercially important conifers in BC.
- Increased provincial use of high-quality selected seed sources from 42.5% to 44% of total provincial sowing, with an average gain of 11 per cent.
- Establishment of over 23,000 ramets in new seed orchards, bringing the provincial total to a level that will effectively meet cooperator objectives.
- All cooperator activities, including FIA support, allowed provincial seed orchards to produce a total of 2,400 kg of high-quality seed; sufficient for about 400 million seedlings.

Small Tenures Program

Funding under the Small Tenures Program is available for eligible land-base activities on Crown land under a:

- Woodlot License tenure; or
- Community Forest Pilot Agreement tenure.

Investments in the Small Tenure Program contribute to the FIA objectives of actively fostering sustainable forest management and improving the public forest asset base by:

- Acquiring better information about forest resources.
- Funding backlog reforestation of areas denuded before 1987.
- Reclaiming and enhancing site productivity.
- Restoring damaged ecosystems.

The small tenures program provides funding to eligible licensees for activities similar to the land-base investment program (i.e. enhanced forestry, environmental preservation and restoration, and resource information).

2002-03 Program Investments ($000)			
Small Tenures Program			
	Budget	Actual	Variance
Information Gathering and Management	N/A	165	—
Stand Establishment and Treatment	N/A	637	—
Training and Extension	N/A	40	
Sub-Total	**948**	842	106
Program Administration and audits (FBCWA)	52	52	—
Total — Program Expenditure	**1,000**	**894**	**106**
Accrual (not realized)		8	(8)
Total — Public Account Expenditure	**1,000**	**902**	**98**

Key Accomplishments:

Information gathering and management

- A combined total of 74,000 hectares of newly acquired resource information on small tenures (i.e. woodlot licenses and community forest pilot agreements) that ultimately will lead towards improved land use planning and decision making. This includes an increase in the amount of provincial Crown land area where information relating to terrain stability, vegetation resource inventory, and archaeology has been enhanced.

Stand Establishment and Treatment

- Over 470 hectares of forest stands treated within small tenures (i.e. pruned, juvenile spaced, or fertilized). These investment in these treatments contribute to growing higher quality second growth stands faster on Crown lands available for timber production.

- Over 18,000 hectares within small tenures completed for the detection and quantification of forest health issues, and, where necessary, the prescription and implementation of protective or suppressive treatments to anticipate and prevent insect, disease and mammal damage to reforested areas and old growth stands.

Training and Extension

- Over 300 small tenure participants involved in the new *Forest and Range Practices Act* training.

Research Program

Investments made through the Research Program are expected to provide a positive contribution to the government's goal of having a leading edge forest industry that is globally recognized for its productivity, environmental stewardship and sustainable forest management practices.

Investments in the Research Program contributes to the FIA objective of actively fostering sustainable forest management by:

- Protecting investments in long-term ongoing studies across BC;
- Extending research results to users in many different ways (e.g. journal articles, extension notes, workshops, tours, websites);
- Funding projects in a wide range of relevant disciplines; and
- Presented BC forest science to international audiences.

Program investments are expected to lead to positive outcomes in at least four identified impact areas, including:

- More effective policies, regulations and guidelines;
- Enhanced value of the forest land asset;
- Improved stewardship and market acceptability of B.C. forest products and forest practices; and
- Increased and more effective reach of forestry research results.

2002-03 Program Investments ($000)						
Research Programs						
	Total		Actual		Variance	
	FII	**MoF**	**FII**	**MoF**	**FII**	**MoF**
More Effective Decision-making (23 projects)	2,900	541.5	2,010	543.7	890	(2.2)
Enhanced Value of the Forest Land Asset (75 projects)	5,300	938.2	4,529	943.3	771	(5.1)
Improved Stewardship and Market Acceptability (74 projects)	3,800	2,125.9	3,290	2,049.2	510	76.7
Extension Services (10 projects)	2,700	394.4	2,389	389.8	311	4.5
Administration and Delivery	**1,300**	—	**1,296**	—	**4**	—
Total — Program Expenditure	**16,000**	**4,000**	**13,514**	**3,926**	**2,486**	**74**
Accrual (not realized)			1,837		(1,837)	
Total — Public Account Expenditure	**16,000**	**4,000**	**15,351**	**3,926**	**649**	**74**

Key Accomplishments:

More Effective Decision-making

- $2.0 million for 19 projects designed to support science-based decision-making, improve land use planning, and develop or evaluate decision support tools. For example, the research program funding helped the independent multi-disciplinary coast information team build the foundation for ecosystem-based management and science-based decision-making in the area. These types of investments strengthen decision-making at all levels and support the development and implementation of more effective policies, regulations and guidelines.
- $544,000 was spent to develop tools for more effective decision-making. For example, researchers in Kamloops developed a web-based expert system for site preparation and vegetation management, using research results from recent and ongoing site preparation, planting and vegetation management research projects. Expert systems use a huge amount of information in a series of databases to provide an easy-to-use decision aid. Users are asked a series of questions, and are then provided with a detailed set of recommendations, in a clearly understandable report.

Enhanced Value of the Forest Land Asset

- $4.5 million for 68 projects focused on tree improvement, silvicultural systems, stand management, reducing forest health risks (with projects on forest pathogens and pests), wood quality, and non-timber forest products. These will result in benefits such as enhancing the value of timber and the forest land asset, promoting the best use of forest resources and reducing timber production costs.
- $943 thousand was spent on enhancing the value of the forest land asset. One project, "Development of growth and yield tools for sustainable forest management" was designed to understand and quantify the biology of tree growth, the dynamics of stand

development, and the effects of environmental factors and silvicultural treatments on the growth and yield of uneven-aged interior Douglas-fir stands and mixed species interior cedar-hemlock stands. Information from these studies was used to refine growth and yield models such as Tree and Stand Simulator (TASS).

Improved Stewardship and Market Acceptability

- $3.3 million for 50 projects that address issues relating to ecosystem management, landscape ecology, watershed and riparian management, and wildlife habitat. These will improve stewardship and market acceptability of B.C. forest products by supporting new or adapted forest practices that make B.C. more competitive globally, enhancing market access, improving sustainable forestry practices and accelerating the certification processes.
- $2.049 million was spent on projects that will improve stewardship. In particular, major long-term studies continue to build BC's reputation for environmental stewardship and leading edge research at an international level. For example, the Long-Term Soil Productivity study, initiated in 1991, is a full rotation-length study of the impacts of soil disturbance on site productivity. It is the world's largest co-ordinated effort to understand how soil disturbance affects long-term forest productivity, and will provide increased certainty about soil disturbance and site productivity.

Extension Services

- $2.4 million for 5 projects which resulted in the development and delivery of over 260 extension activities and products including workshops and conferences, reports, journal articles, presentations, extension notes and newsletter articles, websites, field tours and forums. These activities were funded both through a research extension services provider and within individual research projects. Ultimately, extension will enable a more effective use of forestry research results with the potential for broad application by a wide range of end-users including field practitioners, decision-makers, planners, regulators, researchers, and the public.
- $390 thousand was spent directly on extension projects, but each research project also had it's own extension component. Numerous extension products were transferred to a wide range of audiences. Eleven extension notes were written, 10 papers and 9 posters were presented at conferences, 68 different tours, talks and workshops were given, 59 journal articles are published or in draft, 2 book chapters written, and 2 new websites were developed.

Product Development Program

The Product Development Program is designed to assist proponents to improve manufacturing processes and support technology transfer, develop new types or uses of forest products, and support market access initiatives by removing technical barriers to trade.

Investments in the Product Development Program contributes to the FIA objective of promoting greater returns from the utilization of public timber by:

- Promoting secondary manufacturing.

Investments through the Product Development Program will be made through the following key program areas:

- Product development activities — for multi-licensee primary industry initiatives to develop, assess or improve manufacturing processes or products, evaluate the economic feasibility and/or performance characteristics of new forest products, and provide demonstration services to enhance the use of BC forest products;
- Market access — support initiatives designed to explore market access and/or resolve trade access issues in new and developing markets;
- Domestic development activities — for projects that will expand the domestic market and the use of BC wood products within the Canadian marketplace, or enhance the understanding of BC forest practices domestically; and
- Technology transfer — to assist BC primary and secondary manufacturers to implement technologies that improve product quality and/or lower production costs.

2002-03 Program Investments ($000)			
Product Development Program			
	Budget	Actual	Variance
Improving Products or Processes	1,700	993	707
Market Access	2,600	2,016	584
Domestic Development	1,000	729	271
Technology Transfer	2,000	1,502	498
Fibre Facilitator	300	262	38
Administration	400	400	—
Total	**8,000**	**5,902**	**2,098**

Key Accomplishments primarily through funding of industry associations:

- Development of wood frame building codes and standards in China, South Korea and Taiwan.
- Distributed promotional material for builders and designers in China to increase their awareness of wood-frame construction technologies and the use of B.C. forest products.
- Training of building professionals and Chinese government representatives in wood frame construction.
- Training trade instructors to develop capacity for local training in China.
- Tested wood products to show their ability to meet local market standards. For example, demonstrations on how well wood construction withstands fire, which is expected to lead to changes in fire regulations to allow institutional and commercial low-rise wood-frame construction in central urban areas of Japan.
- Supported product development initiatives to enhance existing products or develop new products designed for global markets.

- Supported technology transfer program to enable companies to improve their cost efficiency and competitiveness. For example, improved veneer drying processes which could save the plywood industry $3 million in energy costs and lead to as much as $31 million in additional production each year.

International Marketing Program

Investments made through the international marketing program are intended to promote the sustainability of British Columbia forest practices, support the retention and development of existing markets for BC forest products, and develop and pursue new forest sector market opportunities. The Government of British Columbia has committed 1% of direct stumpage revenues to the international marketing of BC forest products and forest practices.

Investments in International Marketing Program contributes to the FIA objective of promoting greater returns from the utilization of public timber by:

- Marketing British Columbia forest products and practices.

2002-03 Program Investments ($000)			
International Marketing Program			
	Budget	Actual	Variance
International Marketing	8,550	8,427	123
Market Outreach Network	2,900	2,082	818
Administration	550	550	0
Total — Program Expenditures	**12,000**	**11,059**	**941**
Accrual (not realized)		100	(100)
Total — Public Account Expenditure	**12,000**	**11,159**	**841**

Key Accomplishments:

- Supported industry associations and their marketing strategies in existing markets (US, Japan, Europe) and emerging markets (China, Korea, Taiwan and India).
- Funded market research to determine needs and identify barriers to trade in different markets (both existing and emerging).
- Supported trade missions to both existing and emerging markets, including the coordination of the Minister of Forests' international trade mission to China.
- Developed website www.bcforestproducts.com to promote BC wood products.
- Produced DVDs and business directories promoting BC wood products and practices.
- Established Market Outreach Network and developed multi-lingual fact sheets, presentations and set up the website www.bcforestinformation.com.
- Prepared groundwork for announcement of the Dream Home China project, which will showcase the use of BC wood construction products and methods.

Appendix 4 — Indicator and Measure Descriptions

Key Outcome Indicators	Description
Total area (hectares) of the timber asset in the provincial forest land base	Provincial forest is the crown land in timber supply areas, woodlot licences, tree farm licences and community forests. *Data is from the AAC database updated Jan. 1 each year.*
Ratio of area reforested to area harvested (5 year rolling average)	Reforested includes planting or natural regeneration. Harvesting is by any method. Net of plantation failures.
Crown forest Revenue (gross revenue in billions)	The total amount of money charged by the ministry during the fiscal year. *Harvest Billing System.*
BC share of the US softwood lumber market	The US is BC's largest customer for softwood lumber. BC's share of the US softwood lumber market is determined from *AFPA statistics on US consumption and Statistics Canada data on BC and Canadian exports.*
BC share of Japan softwood lumber imports	Japan is BC's second largest softwood lumber customer. *Import volumes are published annually by the Japan Wood Products Information and Research Center.*
Ratio of BC forest industry capital investment to depreciation and amortization	
Hectares of forest land certified by major forest certification processes	Major forest certification processes are the Canadian Standards Association, Forest Stewardship Council and Sustainable Forestry Initiative. International Standards Organization is excluded.
Public Trust in the BC Forest Service	Public trust is measured in a telephone survey done by BC Stats. It is attributed to values, knowledge, and experience of the forest sector and BC Forest Service.

Corporate Performance Measure	Description
Percentage of unwanted wildfire contained at less than four hectares, based on a 5-year rolling average	This is a measure of the ministry's success rate of initial attack on wildfire that is unplanned or accidental, and has potential to cause damage to or loss of timber, range or public resources. *Data from Historical Fire Statistics Database.*
Total hectares of Crown forest lost to unwanted wildfire annually (based on a five-year rolling average)	Unwanted wildfire is unplanned or accidental, with the potential to cause damage to or loss of timber, range or public resources.

Corporate Performance Measure	Description
Percentage of Crown forest aerial surveyed for insect infestations	Annual province-wide aerial surveys are used to monitor forest disturbances caused by insects, diseases, animal and abiotic factors. The data is used to track damage trends, estimate impacts on forest resources, plan management activities strategically, and direct more detailed surveys.
Percentage of high-priority bark beetle infestation sites treated by the Forest Service excluding Timber Sales Program	High priority sites present an opportunity to stop or reduce the rate of spread by treating through felling and burning, setting up pheromone trap trees, or other methods. By agreement with WLAP and MSRM, MOF is responsible for treatments in parks and protective areas.
Status of implementation of the Results Based *Forest Practices Code*	Status defined as: in development; consultation; passed in legislature; or enacted.
Number of completed effectiveness evaluations of the legislation	Effectiveness evaluations are field reviews of the *Forest Practices Code of BC* and *Forest and Range Practices Acts*.
Percentage of Allowable Annual Cut (AAC) determinations or reviews achieved before their deadline	The AAC for each TSA and TFL is reviewed and determined by the chief forester every five years. This is a measure of the ministry's rate of success at achieving statutory deadlines for AACs. The deadline for each unit is 5 years from the last determination date.
Client satisfaction with applied research completed by the Ministry	Clients are internal MOF clients, or client sponsors who will assess progress and effectiveness of research within project groups linked by similar objectives. The rating is determined by a survey of clients. Results from 2002/03 are published at: http://www.for.gov.bc.ca/research/
Percentage of timber supply areas under defined forest area management	Defined forest area management is where licensees collaborate on an area based forest management plan for the whole of a timber supply area.
Total number of Forest Service recreation sites and trails managed by the ministry	This includes sites and trails managed by the Forest Service, managed by private operators under partnership agreements with the ministry, as well as sites which are user-maintained. Sites include campgrounds, day-use areas, cabins and other recreation facilities.
Volume gain (m^3 of timber per year) from all ministry reforestation activities expected to be available for harvest in approximately 65 years (excluding Timber Sales Program)	Volume gain is calculated from the hectares brushed or planted and an average m^3 per hectare from Growth and Yield tables. Only activities funded by the Ministry are included.
Number of Forest Service seed orchards closed or offered to the private sector	There were eight Forest Service seed orchards at the beginning of 2002/03: Campbell River, Cobble Hill, Bowser, Saanich, Kalamalka, Bailey Rd., Skimikin and Prince George Tree Improvement Station.
Number of Forest Service nurseries offered to the private sector	There are two Forest Service Nurseries: Skimikin and Surrey.

Corporate Performance Measure	Description
Percentage of forest operators' compliance with environmental standards that regulate forest practices	Forest operators include all major and small business licensees. *Compliance Information Management System.*
Per cent of revenue loss due to illegal activity	Estimated from concluded investigations of theft, fraud and arson crimes.
Per cent of major forest theft and fraud investigations that are successfully concluded	Successful conclusion is when the crime is prosecuted or it is determined there is no crime.
Status of implementation of the market based pricing system	Status defined as: in development; consultation; passed in legislature; enacted; or, implemented.
Net Revenue generated from the Timber Sales Program (TSP)	Gross revenue from the *Harvest Billing System*, net of operating costs obtained from the *Corporate Accounting System.*
Percentage of TSP volume advertised for sale	This is a measure of the volume advertised competitively to independent forest operators.
Percentage of Timber Supply Area AAC under a form of tenure	This is a measure of the effectiveness of the ministry's apportionment of the AAC within a TSA to various programs, and its issuance of tenures under these programs. Tenures are issued under programs such as Forest License and for Community Forest Agreements. Tree Farm Licences, woodlot licences and Tenures under the BCTS program are not included. *Data is from the Apportionment System*
Percentage of available Animal Unit Months of forage allocated	This represents the amount of crown range forage under a form of tenure, and is a measure of the effectiveness of the ministry's administration of range available for grazing or haycutting.
Kilometres of Forest Service road maintained by the ministry of public use standardv	Forest Service roads that the District Manager is obligated to maintain. Excludes permitted or BCTS roads, closed roads and wilderness roads.
Number of Forest Service road bridges replaced by the ministry	Forest Service road bridges are replaced periodically when structures deteriorate or are damaged (eg from wash-outs).
Per cent of corporate performance measure targets achieved or substantially achieved	This is a summary measure of the ministry's overall performance. Excludes projections for key outcome indicators.
Per cent of expenditure targets achieved	Expenditure targets are assigned to the Assistant Deputy Minister for each Division. *Calculated based on reports from the Corporate Accounting System*
Number of key legislation milestones achieved	Milestones may be: development; consultation; passed in the legislature; or, enacted.

Corporate Performance Measure	Description
Per cent of business areas redesigned and implemented to support the refocused forest service mandate	Under the Continuous Improvement Initiative the ministry is implementing best practices and improving business processed.
Number of best practices projects implemented	Projects to ensure financial best practices are implemented.
Percentage (Number) of major client services available electronically	Electronic services are those provided to external clients via an internet link.

Appendix 5 — Glossary

Allowable Annual Cut (AAC) — The rate of timber harvest permitted each year from a specified area of land, usually expressed as cubic metres of wood per year.

Certification — The process of identifying forest products as those produced by organizations whose forest practices or management systems meet a set of defined voluntary certification standards, based upon independent assessments. Certification is intended to assure companies and consumers around the world that the forest products they purchase come from well-managed forests.

Core business — A set of key functions with a common purpose related to the goals of the ministry.

Corporate performance measures — Measurable factors of significant importance to the organization in achieving the strategic goals and objectives. A performance measure is a quantified, time specific measure used to indicate the degree of success the ministry has in achieving its goals, objectives and strategies.

Criteria and Indicators — A criterion is a category of conditions or processes by which sustainable forest management may be assessed. An indicator is a measure of an aspect of the criterion. Those used in Canada are generally based on the Montreal Process initiated in 1994. This was an international meeting where criteria and indicators for the conservation and sustainable management of temperate and boreal forests were developed and agreed to internationally.

Defined forest-area management (DFAM) — DFAM provides obligations and opportunities for collaborative forest management within the province's 37 timber supply areas. Under DFAM, specified licensees and BC Timber Sales will assume a collective responsibility for timber supply analysis and specified forest health activities within each timber supply area.

Discretionary silviculture activities — Silviculture activities that are not required by legislation. These may include backlog reforestation, reforestation activities on some areas burned by wildfire, and brushing, spacing, fertilizing and pruning.

Forest and range assets — All the forest and range resources on Crown land, including the water, soil, bio-diversity, timber, forage, wildlife habitat, recreation, and scenic resources.

Full-time equivalent (FTE) — The equivalent of one person working 1,827 hours in one year.

Goals — Goals are the ends that the ministry wants to achieve in fulfilling its mandate and mission. Goals are long-range outcomes that guide an organization's efforts in moving towards a desired future state.

Industrial Use Forest Service Roads — are roads that are owned and operated by the ministry, but maintenance is delegated to an industrial user.

Key outcome indicators — Key outcome indicators, represent key results related to an organization's goals, but that are often not directly attributable to their business activities. Logic models are used to link outcomes to business activities.

Mission — Describes the reason for the ministry's existence. It defines what the ministry does, why it does it and for whom.

Objective — A broad time-phased accomplishment required to realize the successful completion of a strategic goal. Objectives are general statements about desired business area results.

Provincial Forest Land Base — Crown land designated by the *Forest Act* (Section 5) as under the direct jurisdiction of the Ministry of Forests. This is generally equivalent to the crown land area in TFL's, Woodlot Licences, and TSA's (excluding vacant crown land).

Public Use Forest Service Road maintenance standards- include user safety maintenance activities such as road surface maintenance and sight line brushing as well those activities required for the protection of the environment. User safety maintenance activities will be commensurate with the types of vehicles and pattern of use.

Strategies — Describe how implementing a specific set of activities will achieve an objective.

Sustainable Forest Management (SFM) — SFM, as defined by the Canadian Council of Forest Ministers is: "To maintain and enhance the long-term health of our forest ecosystems, for the benefit of all living things both nationally and globally, while providing for environmental, economic, social and cultural opportunities for the benefit of present and future generations."

Targets — Performance targets express pre-set quantifiable performance levels to be attained at a future date.

Timber Supply Area (TSA) — Land designated under the *Forest Act* that is managed for sustainable timber harvest, as determined by an allowable annual cut. There are currently 37 TSAs in BC.

Values — An expression of the ministry's core values and fundamental beliefs that inform the ministry's management style, organizational principles and rules of personal and organizational behaviour.

Vision — A clear, concise and compelling picture of the ministry's preferred future.

Wilderness Forest Road maintenance standards — include those activities required for the protection of the environment, activities do not include surface maintenance or site line brushing. As such, only bridge repair and those maintenance projects required to mitigate environmental problems, like mass wasting or washouts, which may impact residential or worker safety, improvements, or natural resources, will be carried out. Wilderness maintenance activities will include culvert and bridge removal, water-bars, partial or full pullback of side slopes and cross ditches.